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Southeast Asia Report

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AUSTRALIA

NUCLEAR-FREE ZONE IN PACIFIC UNION FORUM AGENDA

BK311027 Melbourne Overseas Service in English 0810 GMT 31 Jan 86

[From the "International Affairs" program moderated by (Bernadette Skues)]

[Text] Trade union officials from throughout the Pacific are preparing for a meeting in Melbourne to draw up an agenda for the fourth conference of the Pacific Trade Unions Forum. The forum represents the main trade union organizations in 14 countries and territories of the region which includes Australia, New Zealand, Fiji, Vanuatu, and New Caledonia. An issue that dominated previous forums is a nuclear-free Pacific and it is again expected to dominate this year's conference in Auckland.

Forum convenor Mr Bill Richardson of the Australian Council of Trade Unions [ACTU] says the South Pacific nuclear-free zone treaty will be discussed at the Auckland meeting. Mr Richardson told (Lindsay Uttley) in Melbourne French nuclear testing in the region and the New Zealand ban on port visits by nuclear warships would also be discussed.

[Richardson] None of the countries in the region are either anti-American or anti-French, but we are certainly very much pro nuclear-free Pacific. And there is one country that is from Europe that is using and abusing the Pacific, namely, France. Trade union centers throughout the region had opposed in very strong terms the action of the French Government in blatantly ignoring the protests of the people in the region. We say, if the tests are so safe--which they maintain they are--they should be held in France.

[Uttley] You said in the past that you would like to see the Pacific trade unions take more action to force their governments to take a stronger antinuclear stance. What sort of action could they take?

[Richardson] I do not know that I have ever used the words force the governments. We have embarked on an education program through the forum, drawing attention to the horrors of a nuclear war. We have, in many of the countries, local national trade union centers that made representations to their governments, so from that level of education of the people and representations fronting up to the governments concerned. [sentence as heard]

[Uttley] Another major objective of the forum is the development of trade unionism throughout the Pacific and Mr Richardson says this process is generally going well.

[Richardson] There are some, I say should be much better, but as regards the fact that May 1981 was the first conference of the Pacific Trade Union Forum, it was the first time they had come together to talk to each other about the problems in their own countries and endeavored to reach agreement on how some of their problems could be handled. Now, that was a major step forward on their part assisted by the trade union centers in developed countries in the region such as Australia, Japan, and New Zealand, Fiji. They believed that that was a worthwhile adventure. Now they are endeavoring to strengthen those links and the major trade union centers--Australia, New Zealand, and Japan--are currently devising means by which we can further assist those smaller power nations' trade union centers with a view to developing them further. For example, the ACTU, together with some Australian Government funding, will this year be embarking on a program to provide trade union education grants and capital grants to assist them in, for example, buying a typewriter and a table and chair for their office. That will be done this year. We will be operating in cooperation with them. We do not believe in big brother treatment. We have experiences of our own kind in Australia and they have a different culture and we just want to live together with them.

/9738
CSO: 4200/640

AUSTRALIA

PROSPECTS BLEAK FOR AGRICULTURE, EXPORTS

HK300722 Hong Kong AFP in English 0617 GMT 30 Jan 86

[Article by David Barnett]

[Text] Canberra, 30 Jan (AFP)--Australia's annual agricultural outlook conference held here this week has painted a gloomy picture both for Australian farmers and for Australian export prospects.

Successive speakers forecast declining rural incomes and declining farm exports, with 1986 shaping up as one of the worst years ever for Australian agriculture.

The conference was addressed by speakers from Britain and North America as well as from Australian Government departments and rural and business organizations.

Australian Government expert Peter Urban forecast a decline of seven percent in Australian crop exports during the year to 30 June, although wool and meat exports would be higher.

Mr Urban said stocks were growing both in the European Economic Community (EEC) and the United States.

Export incentive schemes introduced by the United States to counter the growing EEC share of rural commodity markets have cut into traditional Australian markets and would lower world market prices, he added.

In the short term, the outlook for world agricultural trade is pessimistic, but there are prospects for improvementin the medium to long term, Mr Urban said.

Another Australian official Jeff Rae said the average income for Australia's 170,000 family farms during the 1985-86 financial year would drop to 6,700 Australian dollars (U.S.$4,690) per unit, or 3,800 Australian dollars (U.S.$2,660) per farmer.

After making allowance for declining land values, the real rate of return on Australian farms would average minus six percent, he said.

Farmers growing wheat, sugar and rice would have negative incomes while farmers raising livestock would drop back to income levels of about eight years ago, Mr Rae said.

Mr Rae said the number of farms at risk because of inability to service debts would rise from five to seven percent generally, and from six to 10 percent in the wheat industry.

Mr Rae said that while the level of rural debt was still lower than in the United States, it had nevertheless grown 50 percent in inflation-adjusted terms over the past five years and was cause for serious concern about the ability of the rural sector to service the debt.

The Australian Minister for Primary Industry, John Kerin, told the conference that farmers in many countries were hit by the same international developments and government intervention in the market place.

There was a world-wide crisis of agricultural surpluses resulting from bad policies, he said.

"Agriculture, both domestically and internationally, will face enormous challenges in 1986 and thereafter," Mr Kerin said.

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CSO: 4200/640

AUSTRALIA

BRIEFS

EUROPE, U.S. TOUR--The federal minister for trade, Mr Dawkins, has left Australia for Europe and the United States to argue the government's concern about world agricultural trade. Before leaving Canberra, he said the government was very concerned about the serious situation confronting efficient Australian farmers in world commodity markets. In meetings with his American and European counterparts, he said he would be pressing the need to tackle serious distortions in world commodity trade which had resulted from increase protectionist trading practices. Mr Dawkins is accompanied by the senior vice president of the National Farmers Federal, Mr Michael Shanahan. In Europe, the minister will attend the Davos Symposium in Switzerland--a major informal gathering of world economic representatives and businessmen. While in Davos, Mr Dawkins plans to have separate discussions with a number of European leaders. In the United States he will meet with senior members of the Reagan Administration and congressional leaders. [Text] [Melbourne Overseas Service in English 0830 GMT 29 Jan 86 BK] /9738

PATROL BOAT TO INDONESIA--The Royal Australian Navy will hand over its eighth attack class patrol boat to Indonesia tomorrow as part of the Australian-Indonesian defense cooperation treaty. The handover will take place at Cairns on the north Queensland coast where the commander of the Eastern Fleet of Indonesia, Rear Admiral Gatot Suwagjo, will accept the former navy patrol boat, "Assail," from Fleet Commander Rear Admiral Iran Knox. The "Assail" is the last attack class boat to be delivered to Indonesia as part of the defense cooperation program, maritime project. It will work with the other seven provided to deal with smuggling, illegal entry, fisheries protection, and search-and-rescue missions. It will be renamed K.R.I. "(Suryoto)". Attack class patrol boats have been reaplced in the Australian Navy by the new fremantle class patrol boats. [Text] [Melbourne Overseas Service in English 0830 GMT 29 Jan 86 BK] /9738

OFFICIAL ON INTEREST RATES--Canberra, 30 Jan (AFP)--Australia's annual rate of inflation during 1985 was 8.2 percent, the highest level for two years, it was officially announced today. The rate during 1984 was 2.6 percent compared with 8.6 in 1983. Acting treasurer Chris Hurford, commenting on the latest figures, said that the Labor Government's economic strategy was nevertheless "on target". Over the last three quarters, there had been a progressive decline in the quarterly rate from 2.4 percent for June to 2.2 percent for September and to two percent for December. Mr Hurford said bringing the rate of inflation down remained a major objective of the government. [Text] [Hong Kong AFP in English 0759 GMT 30 Jan 86 HK] /9738

CSO: 4200/640

INDONESIA

OFFICIALS ASSESS SHUTTLE EXPLOSION EFFECT ON SATELLITE PROGRAM

HK290826 Hong Kong AFP in English 0740 GMT 29 Jan 86

[Text] Jakarta, 29 Jan (AFP) -- The explosion of the U.S. space shuttle Challenger will probably delay the launching of an Indonesian satellite in June and could bode ill for local telecommunications, diplomats and scientists said here today.

The Palapa B-3 communications satellite was originally scheduled to be launched from a U.S. space shuttle on June 24, but yesterday's explosion, which killed all seven crew members on board, is expected to disrupt the U.S. space shuttle program pending an investigation of the accident.

Indonesia currently has two domestic communications satellites left in orbit following the failed launching of the Palapa B-2 in February 1984.

One of the remaining satellites is to cease functioning in July, while the other, the Palapa B-1, has already encountered technical problems, the sources here said.

The satellite turned about 10 degrees on August 30 last year, cutting off about 75 percent of the country from communication with the capital for several days, scientists said.

They added that the Palapa B-1 was soon returned to its correct position, but at the cost of much of its fuel reserves.

"If another major turn occurs, Palapa B-1 will not have enough fuel to regain its position and a large portion of Indonesian territory could find itself deprived of telephone, television and telex facilities ... because there will not be enough reserves left," one diplomat said.

"That is why it is extremely important for this country that Palapa B-3 be launched in June and that it be successfully put into orbit," he added.

Indonesia consists of 13,000 islands, including 6,000 which are inhabited, stretching along 5,000 kilometers (3,100 miles) from east to west and 2,000 kilometers (1,240 miles) from north to south.

Communications stations have been set up on Java, Sumatra, Bali, Kalimantan and the Celebes, but the satellite is indispensable for the more isolated islands.

After the failed launching of the Palapa B-2, which was recovered by the space shuttle Discovery in November 1984 and later sold, Indonesia considered switching to the European space program Ariane for subsequent satellites.

However, European sources said the U.S. program was chosen when it proposed to send an Indonesian astronaut, Pratiwi Sudarmono, on the space shuttle mission which was to launch the Palapa B-3.

Several Indonesian officials contacted here by AGENCE FRANCE-PRESS expressed their regrets about the accident, but they refused to discuss the potential consequences of a delay of the Palapa B-3 launching.

/12929
CSO: 4200/609

MINISTER VIEWS INFORMATION MEETING IN SENEGAL

BK290405 Jakarta THE INDONESIA TIMES in English 24 Jan 86 pp 1,6

[by our reporter]

[Excerpt] African countries are impressed by President Suharto's speech at the 40th commemoration of the United Nations Food and Agricultural Organization (FAO) in Rome last November, Information [minister -- FBIS] Harmoko said Thursday.

Suharto's keynote address contained a wide-range of information about Indonesian agricultural development, mainly on food self-sufficiency. Indonesia has been appraised by FAO for its considerable achievement in turning from the largest rice importer into self-sufficiency.

Harmoko has just returned from the meeting of COMINAC's [Conference of the Ministers of Information of the Nonaligned Countries] Inter-Governmental Commission (IGC) held in Senegal. He also made courtesy calls on the Presidents of Senegal and Gambia.

Speaking to newsmen after meeting President Suharto at the Jalan Cendana Residence, Harmoko said that the Senegal President has been impressed by Indonesia's achievements, mainly in relation to food production.

The Senegal President, said Harmoko, has expressed his intention of visiting Indonesia to increase bilateral cooperation between the two countries.

Indonesia is now training Senegal handicraftsmen in the framework of the foreign technical cooperation programme.

In Gambia, Harmoko met President Sir Dawda Jawara who has also been impressed by Indonesian achievements. The Gambian President has also expressed his intention of visiting Indonesia this year, to promote economic cooperation.

Indonesia-Gambia has been cooperating in personnel exchange, especially in the training of Gambian personnel here.

Harmoko said that African countries are interested in Indonesia's role in the fields of communications and information.

"Therefore, Indonesia must conduct closer cooperation with African countries," Harmoko added.

Mentioning on the IGC meeting, Harmoko said that the idea of creating a New World Information Order (NWIO), must be begun with intensive training and education of mass-media workers.

The IGC meeting has adopted Egypt, Iraq, Yugoslavia, India and Indonesia as the sites for non-bloc mass-media workers training and education centres.

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CSO: 4200/609

BRIEFS

AUSTRALIAN MP'S VISIT JAYAPURA--A delegation of Australian members of parliament visiting the Indonesian province of Iran Jaya had been told by seven young Irianese deported from Papua New Guinea that some of them were beaten by police on both sides of the border. The opposition members of Parliament are in Jayapura for a 3-day study on Indonesia's controversial transmigration policy in the province. The 7 Irianese were among the 10,000 people who had crossed into Papua New Guinea since 1984. They were deported from Papua New Guinea last October and had since been held in Jayapura on suspicion of being Irian Jayan rebels. In the interview arranged by the Indonesian authorities, the men said several of them had been bashed by Papua New Guinea police when they resisted being handcuffed for the deportation flight from Vanimo to Jayapura. They also said some of them had been beaten by police in Jayapura soon after their return there, but they denied further torture or mistreatment. [Text] [Melbourne Overseas Service in English 0130 GMT 29 Jan 86 BK]

SENTENCE SOUGHT FOR EDITOR--Jakarta, 28 Jan (AFP)--A state prosecutor has asked the Sleman, Central Java, district court for a 15-year jail term against the chief editor of a Moslem news bulletin charged with subversion. The defendant, identified as 23-year-old I.F.S., is accused of promoting the creation of an Islamic state in Indonesia and publishing seditious tracts in the AL IKHWAN bulletin. In his 90 page statement, prosecution yesterday said that the defendant also was guilty of providing anti-government courses to Moslem youths. He told them that Indonesian Moslems are oppressed by an infidel government, the daily SINAR HARAPAN said today. When copies of the bulletin were seized in October 1983, Indonesian intelligence officers said they had uncovered a plot to overthrow the government and that an unnamed Middle East country was suspected of involvement. The publication had contained speeches of the Iranian leader Ayatollah Ruhollah Khomeyni. Thirty five witnesses, including some lecturers from universities in Jogjakarta, have testified at the trial since it began October 3, the paper said. [Text] [Hong Kong AFP in English 1220 GMT 28 Jan 86 HK]

IRIAN JAYAN BORDER CROSSERS--Denpasar, Jan 31 (ANTARA)--Australian parliamentarian David Connolly said here Thursday that the Irian Jayan border crossers who had illegally entered Papua New Guinea had done so because of forceful instigation by about 33 members of a local group of troublemakers. Connolly, shadow minister for aborigines affairs and state administration in the Australian opposition party, the Liberal Party, was here for a visit at the head of a delegation of Australian parliamentarians. He told reporters that he had talked with six former Irian Jayan border crossers who had returned to their original village and they had given witness on the activities of the troublemakers. Meanwhile, a member of Connolly's delegation, Senator Bernard Kilgariff, said

he had come to know of 99 border crossers who had been forced to go illegally to Papua New Guinea by the troublemakers. Now 94 of them had returned to Irian Jaya territory. The rest, five persons, died of natural causes while in Papua New Guinea. Therefore Senator Kilgariff now believed that the Irian Jayans had crossed the border not because of pressures from the transmigrants that had been brought to resettle in Irian Jaya from other parts of Indonesia. Connolly explained that other countries, such as Kenya, Sri Lanka, and Brazil also had transmigration programs similar to Indonesia's own. He added that the transmigration programs in these other countries are also faced with many kinds of problems. [Text] [Jakarta ANTARA in English 0450 GMT 31 Jan 86 BK]/12766

INDONESIAN WARSHIP CAPTURES TAIWANESE BOAT--Surabaya, 28 Jan (ANTARA)--Kri Sorong, an Indonesian Navy warship, last week captured a Taiwanese fishing boat operating around Maluku waters without licence, a press release from the Information Bureau of the Eastern Armada disclosed Tuesday [28 January]. The Taiwanese fishing boat, Hsien Hsin 2, tried to escape by turning off all its lights and fled the patrol ship but Kri Sorong was on the alert and at last managed to capture Hsien Hsin 2. On board the fishing vessel, there were tens of tons of stolen fish, some still in the fishing net while another net was still under water. The fishing boat with its 15 crew were towed to the navy base in Ambon for further investigation. [Text] [Jakarta Antara in English 1624 GMT 28 Jan 86] /12640

CSO: 4200/628

INTERIOR OFFICIALS SPEAK AT BORDER DEFENSE CONFERENCE

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 12 Sep 85 p 4

/Article: "Border Defense Department Opens Its Fourth Specialized-task Training Course"/

/Text/ On the morning of 1 September the Border Defense Department under the General Security Department, Interior Ministry, officially opened a specialized-task training course.

Those who participated in the course were Brig Gen Khamphon Boutdakham, alternate member, LPRP Central Committee, vice minister of the Interior Ministry, and also chief of the General Security Department; Maj Khammouan Savaivan, chief of the Border Defense Department; and many police officers from the unit.

Following the official opening speech by the organizing committee, Maj Khammouan Savaivan, chief of the Border Defense Department, read a report and stated the purpose of the course. There was a total of over 50 cadres from Bolikhamsai Province, Vientiane Capital, and each district around Vientiane Capital. This specialized-task course will last 2 months.

Later, Brig Gen Khamphon Boutdakham gave a speech to remind the cadres and combatants attending the course first of all of the enemies' schemes that aim to dismantle the revolution with many clever tricks, for example, in the political, ideological, economic, and social spheres in order to poison our security forces. In particular, they hope to bring disunity to the three Indochinese nations, especially the Lao people of ethnic groups. Thus, each cadre and combatant must be highly responsible for their own specialized task. They must organize and carry out the correct methods of work, firmly grasp and correctly absorb the policies of the party and the government, learn the goals of those who are efficient, encourage good work and improve what is unfinished, and work with determination so that they will firmly understand and apply themselves to the real specialized tasks. They must also improve work regulations along the border to ensure complete safety.

9884/12228
CSO: 4206/40

ROLE OF LPRP CADRES IN ARMY DISCUSSED

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 31 Oct 85 p 3

/Article: "The Tasks of Political Cadres and of Party Secretaries in Units"/

/Text/ The aims are to carry out the policies and principles for party construction in the LPRP as specified in the party regulations focusing on the main lessons for constructing the foundation of the party in the past and also focusing on the demand to improve new issues particularly concerning the machinery of the party for leadership of the army. This is done to carry out a one-leader system (being under one commander) at all levels and especially to serve the "party secretaries in units in the bases" so as to improve the construction of the party and the party's grassroots organizations into an ordered unity with a steady increase in both quantity and quality. The purpose of implementing this is to take part in constructing and strengthening the base party committee and party chapter so that they will become the foundation for constructing companies with all-around strength and a high fighting strength and to prepare to succeed in the duties assigned by the party and the government in defending and constructing socialism in our country. We must first of all grasp the roles, locations, organizing principles, duties, and relations of the party's grassroots organizations.

The party's grassroots organization is the foundation of the party. It is a closely connecting bridge between the party and the party's guiding organization and the masses. It is the place to train and shape the party members and the progressive masses. It is the place to accept those who will become party members and to screen out members, the place to nurture and train party cadres, and the place to bring the party's plans and ideology to the masses. Therefore, our party has constructed the party's foundation, which is a strategy and also a key to encouraging and implementing the party's plan which must start at the base.

Thus, the purpose is to make the LPRP a modern army in order to implement the plenum of the LPRP Central Committee on modifying the new machinery for party guidance toward national defense and security and the peoples' military forces.

Detailed duties of the base organization of the party:

1. To carry out the orders of the higher echelons, to decide on the policy and methods to guide political duties at the grassroots level, to take part in improving national defense and security and in constructing and expanding the economy and culture, and to propagandize, train, organize, and lead the masses to carry out the party's policy, the government's plan, and the work of the mass organizations.

2. To maintain close relations with the masses, to pay close attention to raising the material and spiritual standard of living of the masses, to ensure the right of collective mastery of the masses, and to promote their creativity and constructiveness for defense and socialist construction in our country.

3. To strengthen the party in terms of politics, ideology, and organization and in terms of organizing study with determination in order to upgrade every aspect, for example, to study Marxist-Leninist theory, party policies, government plans, culture, technical science, specialized tasks, vocational skills, and socialist management.

There must be work management and a correct and proper allocation and inspection of the members in each period for greater solidarity in domestic unity. We must use self-criticism and friendly criticism, but it must be done within the principles of organization. We must do a good job in accepting new members and we must raise consciousness in carrying out the party's regulations and in collecting and handing over the party membership fees to the higher echelons as scheduled. We must give our opinions on different problems involving the party's policies to the higher echelons.

4. We must improve our solidarity and unity and the love and mutual assistance between races and correctly carry out the party's policy on ethnic groups.

5. We must heighten the spirit of proletarian internationalism, train the members and the masses to carry out together the party's foreign policy, increase the special solidarity, militant cooperation, and all-around cooperation with Vietnam and Cambodia, and to build firm solidarity and all-around cooperation with the USSR and other socialist nations.

6. We must pay close attention to the construction and organization of administrative committees and mass organizations in our own area of responsibility and guide and inspect their work in improving and strengthening national defense and security work and in the economy and culture of their own localities.

7. We must work in cooperation with the higher echelons in training the ranks of the grassroots cadres so that they will have a true revolutionary spirit and be capable in their specialized tasks in protecting the government and in protecting and raising the economy of the cadres.

9884/12228
CSO: 4206/39

EDITORIAL FAULTS DEFENSE TRADE UNION ON PRODUCTION

Vientiane KONGTHAP PASASON LAO [LAO PEOPLE'S ARMY] in Lao 17 Oct 85 pp 1, 4

/Editorial: "Encourage Defense Trade Union Operations in the Bases"/

/Text/ Since the national defense trade union was set up, its operations have expanded fairly well in factories, settlements, and other production units in the army.

From their experiences in working and guiding in a number of factories, the base trade union workers have modified their approach toward techniques for organizing and mobilizing. In many places the trade union effectively trained and mobilized the works for their roles and they had fairly good achievements. There is collective mastery in the ranks of national defense cadres and workers, and they are more responsible in taking part in economic and production plan management and in primary participation in solving a number of problems in production. However, there are still some places where the base trade union operation has not gone deep enough to take part in production and plan management. There are still a number of chiefs of boards of directors and units who think of the trade union as an organization to help them in their tasks and have not yet correctly set up the locations, roles, and duties of the base trade union. They do not take the voice of the trade union members seriously. The spirit of collective mastery of the cadres and workers has not yet been heightened, and the mass revolutionary movement is not yet extensive.

Our concern now is to strengthen the role of the national defense trade union at the base level. The greatest weight and most extensive mass organization are in national defense factories which are important in promoting the success of the political duties in each factory. Based on the profound understanding of the Party Central Committee Politburo concerning the training and strengthening of the base trade union, the chiefs of the boards of directors, department chiefs, and supervisors must effectively mobilize the masses and strongly encourage the trade union movement in every way according to the scale of the base trade union; they must encourage the emulation process in creative work and train many socialist work units and divisions.

In order to strengthen their role of true collective mastery, the workers must be trained to have a socialist consciousness of the true nature of the Lao working class and the heroic Lao People's Army on a regular basis, and they

must absolutely resist all discouraging phenomena such as a lack of responsibility, thefts, and violations of public property. They must always be alert for the enemies' destructive schemes.

The trade union secretariat must increase the democratic lifestyle and resolutely encourage the hidden collective mastery of the whole and of individuals in order to promote production. It must effectively carry out regulations and share its opinions on building up the base party committee. The trade union secretariat must share its opinions with the chiefs of boards of directors and department chiefs regarding production management and other areas of plan management. The trade union secretariat must firmly grasp and correctly adhere to the system and policies of the government, army regulations, and the work system including salary, awards, and insurance. They must organize increasing production in order to raise the standard of living, and they must be concerned with each meal for the workers and with the lives of the workers' families.

The trade union inspection system at the base must pay careful attention through self-inspection and inspection by the higher echelons. After this they will be able to make a correct assessment of where the strengths and weaknesses of the base trade union lie, and they can categorize the types of trade union members and groups in order to guide them to strive for the expected level of the base trade union.

In the immediate future and also for the long term, the national defense trade union at the base must aim in the right direction and must work and study politics and ideology and strengthen the workers' forces. It must also organize their standard of living in a comprehensive manner in order to strengthen production.

In order to achieve this in the ranks of the trade union cadres, first of all the trade union secretariat must be firm and strong and must have great perseverance, a good political level, and occupation ability. This will help them become driving forces to obtain assistance from their supervisors, commanders, and other mass organizations concerned. Also, the base party chapters must be concerned with their leaderships, and the boards of directors and technical management cadres must wholeheartedly provide cooperation and assistance. The youth union committee and the Lao women's association must work in firm cooperation with the trade union. In this way, the base trade union will gracefully succeed in its twofold duty of representing the workers: unceasingly strengthening production, and playing an important part in constructing factories and production units.

9884/12228
CSO: 4206/39

AIR FORCE TRANSPORT REGIMENT STRUCTURE, MISSION NOTED

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 12 Sep 85 pp 3, 4

/Article: "Air Transport Supply Regiment Opens Seminar on Flying Safety"/

/Excerpt/ The meeting at the Air Transport Supply Regiment Club began at 8:00 on 9 August 1985 when Captain Thongchan, commander of the Air Transport Supply Regiment, and Captain Bounmi, the regimental political officer, walked in. The military officers and enlisted men stood up, and Captain Bounlai, the regiment staff officer, stepped forward, stood erect, gave a military salute, and reported the number of military men attending the meeting.

The commander acknowledged the report and began the first part of the meeting. Captain Thongchan of the Air Transport Supply Regiment spoke of the purpose of the meeting, suggested how the meeting should be carried out, and also summarized the strengths and weaknesses in the specialized task of aviation safety. At one point he noted that if aviation safety today is compared with past years, there are fewer accidents this year than in any previous year. If we consider the number of flight accidents and the number of flights serviced, aviation safety in 1985 from July /illegible/ to July 1985 was 99 percent guaranteed. He also reported on domestic and foreign flights. There were many thousands of flights and many thousands of flying hours; many thousands of passengers were transported, and a total of over 1 million kg of weight on the average were also carried. They also fully served the plenum of the higher echelons. In particular, in 1985 the Air Transport Supply Regiment served two night flights.

After mentioning the strengths, the commander spoke of the weaknesses in a comprehensive fashion. Then Captain Bounlai, staff officer of the Air Transport Supply Regiment, Captain Bounmi, the regimental political officer, Captain Khamphat, the regimental technical officer, and Sublieutenant Bounsom, who represented the different work sections in the repair battalions, shared their views as a guideline for additional hours of study.

Later the meeting broke down into two groups for study and discussion. One was about pilots and was led by Captain Bounlai, the staff officer. The other was about technicians and was led by Comrade Khamphat, technical chief of the regiment.

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CSO: 4206/40

LAOS

HOUA PHAN COMBAT OPERATIONS REPORTED

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 5 Sep 85 p 4

/Article: "Houa Phan Province Closes Its Meeting To Summarize the First Step for Political Base Mobilization and Construction"/

/Text/ There was a fruitful close of the meeting to summarize the first step in the mobilization and construction of the political base in Houa Phan Province under the chairmanship of Mr Saignavong of the party Central Committee of the LPRP and the party secretary of Houa Phan Province that had been conducted without wasting time from early morning on the 17th to the evening of 18 August.

Participating in the closing ceremony were Mr Oudom Khattigna, member of the party Central Committee and party secretary of Xieng Khouang Province; Mr Thongphan, administrative committee chairman of Houa Phan Province; and the party committee; the provincial administrative committee; the provincial military and police commanders; the chiefs and section committees concerned from around the province; the district party committee secretary; the military and police commands in each district; and many other cadres concerned.

During the meeting the attendees listened to the provincial summary by Mr Saignavong of the party Central Committee and the secretary of the Houa Phan Provincial Party Committee who summarized the first step toward the mobilization and construction of the political base throughout the province in general, and in Viengthong District in particular, which has obtained a great political, economic, military, and cultural victory. As a result, Houa Phan Province has reached the standard of living of the people of ethnic groups step by step, and Houa Phan Province is basically at peace. The first step in carrying out their defense and security work was also a great victory. Their achievements are as follows: they searched for robbers, and their team dismantled the underground forces which were the remnant of the enemies. They attacked robbers 42 times, killed 103, captured 32, injured 38, seized 57 guns, and also saved 1,330 people and a number of items. Later he also spoke in detail of their achievements in other aspects.

The meeting also heard the representatives' views in which all brought a great deal of their good and outstanding experiences for the improvement and construction of the political base. Mr Saignavong then passed along details of the new policy line for political base mobilization and construction starting from August until the end of the dry season for 1986. The representatives also shared their views in explaining the new plan fully.

At the end Chairman Mr Saignavong gave a speech officially closing the ceremony.

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CSO: 4206/40

EDITORIAL FAULTS ARMY RECRUIT TRAINING

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 5 Sep 85 pp 1, 6

/Editorial: "Improve the Efficiency of Army Recruit Training"/

/Text/ In the past the training of army recruits was considered important by many units. Many techniques were carefully applied during training, practice, education, and maintenance of strict discipline, and there was adherence to the regulations, which helped boost training efficiency. However, there are still some units that have not yet correctly recognized the importance of their duty in training recruits. They still need to be brought together and firmly guided. Some of the cadres who train the recruits still have limited experience and ability in many things, and the training efficiency is still low. After completing their training, some army recruits could not carry out combat duty in their units.

Improving the efficiency of training army recruits will not only help the military become efficient in carrying out their duty but is also necessary for success in the secondary military duty of citizens and will help them become new socialist men. Thus, the commanders at each level must correctly understand how important army recruit training is.

Although the young men who are screened to serve in the army are able-bodied and full-grown, most of them have not had any previous training. Also, they come from many different schools, localities, lifestyles, and backgrounds. In order for the training to be efficient, starting with the time the new recruits are assigned to their units, they must take up the military lifestyle to help them learn how to become combatants and quickly learn the military lifestyle and correct actions. In order to accomplish this, first of all, they must attentively study and train and must be made to see the glorious honor and responsibility they have as new combatants, be aware of the true nature and fine heritage of our army, and be able to see the expected revolutionary duties in the current new phase. After this, they should become enthusiastic in their work and study and train themselves in order to succeed in all the duties assigned by the army. Along with political and ideological training, they must receive regular and continuing military training. Because the training period is short of lesson plans, etc., it must be carefully and comprehensively organized, and those who train must be proper models while they are supervising activities. Also the instructors must follow up and point out the students'

weak points so that they can be improved promptly. Now there are many new combatants who have a fairly good cultural level and learn quickly. Therefore, in teaching the theory the teachers must make sure it is scientific and must avoid laxness, which weakens confidence in the teachers, with a resulting inattention to study by the trainees in their studies, on the training field, and also in operations. Techniques for cooperation between training and implementing systems, regulations, and other tasks in their daily life must be added at the same time. No matter what else they learn, they must learn that much. The content of the previous lessons must be practiced immediately in subsequent lessons to help them get used to carrying out army rules and regulations from the start. Thus, the cadres must carefully and attentively advise and remind them in their routing practice. Cadres and present combatants must be models in strictly carrying out the regulations at all times and in all places, so that the new ones will follow the discipline and adhere to it. This is one of the most important goals for the newly trained combatants. Therefore, there must be an absolute regard in maintaining and carry out strict discipline from the first day of training and continuing throughout. In order to do so, first of all, everyone must correctly understand the discipline of the revolutionary army. They must also do a good job of organizing the material and spiritual standard of living and must make them happy in their units and closely involved with collective living.

Army recruit training is the annual duty of our army. In order to raise the efficiency of recruit training, the units must organize well-qualified training cadres who are capable and have training experience, and they must facilitate the training units and provide room and board and places for them to exercise their daily routine and to train and study as indicated. Then the training of army recruits will certainly be efficient, both in circumstances and in the time allowed.

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CSO: 4206/40

FURTHER REPORT ON AIR FORCE MAINTENANCE CAPABILITIES

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 5 Sep 85 p 5

/Article: "Technical Flight Service Support Work Grows"/

/Text/ Technical flight service support work provides for flying, combat training, and transporting when they are needed. Thus, throughout the past period of nearly 10 years technical flight service support work has become a basic duty and goal striven for by all technical cadres, engineers, and technicians in the air force. Along with the growth of the air force, the technical flight service support work has been improved in terms of organizing, controlling, and upgrading the quality of each field and each work section.

In terms of organizing and guiding, the technical flight service support work has made progress in two areas: to provide specialized-task cadres and cadres with the ability to control. The goal of technical organization is to assure the supply of quality technical equipment and the safety of each flight.

As for the capabilities of the cadres and technicians in each work section, 90 percent of them have been educated abroad. Therefore, their understanding of scientific and technological theory has been steadily upgraded. They are capable of applying scientific knowledge to the repair of technical air vehicles. By carrying out the political duty of the air force in the past, the technicians together struggled through difficulties and upgraded their ability to use technical vehicles. We can see that some types of planes, such as combat aircraft and transport planes, have 95 percent of their service technicians. Generally speaking, the technical cadres are able to meet basic demands. The combat aircraft technicians are capable of carrying out their service in flight, flight preparation, technical inspections, and technical maintenance on 25-, 50-, 100-, and 200-hour schedules. All cadres and technicians are capable of repairing any problems by 80 percent, and they are capable of changing engines and components and doing light engine repairs.

Particularly for the AN-24, AN-26, and YAK-40 passenger planes, the cadres and specialized-task technicians are capable of carrying out their duties in flight preparation, technical inspections, and maintenance according to schedules of 10 days, 1 month, 3 months, 6 months, 1 year, or 1,000 flying hours. The technicians are capable of replacing parts and of repairing less seriously damaged parts on their own.

MI-18 aircraft: They are capable of preparing it for flight, technical inspections, and technical maintenance for 25, 50, 100, and 200 flying hours. They are able to change the components of various sytems on their own.

MI-6 aircraft: Its cadres and technicians are capable of preparing it for flight, technical inspections, and maintenance on schedules of 50, 100, and 200 flying hours. They are able to change various components independently. They are also able to change large "kapuk kheu" and propellers and make 80 percent of the repairs whenever there are problems, and they are also capable of handling problems in flight.

We can conclude that each year the air transport division has been able to assure safety. Technical training has been set for each phase in order to carry out the political duty of the party and to meet the demand for combat training, to defend the country, and to provide transport service for socialist construction. They also attentively train basic-, mid-, and high-level technicians by sending them to study abroad, and they train basic-level technicians right where they are according to the demands of the specialized-task and work sections. In general, through the nearly 10 years of constructing the air force, technical flight service support work has expanded step by step. It is capable of combat flight training on short notice.

9884/12228
CSO: 4206/40

EDITORIAL FAULTS COMPANY GRADE OFFICER'S LEADERSHIP

Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 22 Aug 85 pp 1, 4

/Editorial: "Improve the Command Ability of Platoon and Company Grade Officers"/

/Text/ Platoon and company grade officers are responsible for the quality of their units in every way, for the combat ability of the individual and the whole unit, and for the advancement of each lower-rank military officer and combatant under their command. Platoon and company grade cadres in the bases are to organize and carry out their duties assigned directly by the higher echelons. It can be said that if the cadres are intelligent the combatants will also be intelligent; the units will have whatever responsibilities the cadres also have. With the cadres as their model, the units will then have solidarity and strong discipline. When the cadres are able to influence their men and are trusted by them, their command will be increasingly effective.

In recent years following the adoption of the plan to train cadres regarding large units and those in the ranks of platoon and company grade military officers, there has been a steady increase in the ratio of trained cadres who have gone through basic training in the factories. Young military officers have participated and are continuing to participate effectively in all the units' movements. The training of cadres is carried out in cooperation with the factories and units. Many platoon and company grade cadres have successfully studied in school and have rapidly grown in their status and in the duties assigned by the higher echelons. At the same time, however, the training of a number of platoon and company grade officers is still limited because they have not yet become qualified. Their recognition of the truth is still low, their command experience is still limited, their commands are undisciplined and lack good examples, and they are loose and disorderly. This has a great effect on the quality of the units and has created many problems for the party committee and higher-grade commanders of platoons and companies with regard to improving the command abilities of platoon and company grade officers.

Each year the units must emphasize their duties toward a comprehensive plan to improve the cadres by training young military officers in terms of politics, ideology, physical stamina, and knowledge of regulations and by raising their organizing and command level, military management ability, and control of the material and technical base. In stating the plan they must clearly give the

goals and the appropriate steps regarding duties, situations, and goals in order to have true success. Corps and battalions must focus on training cadres of demibattalion and company grades so that they will effectively carry out their duties, and they in turn will be able to train directly the cadres at the platoon and squad levels. Cadre training must come first in order for them to have good military knowledge for teaching, training, command, and management. Cadres at the platoon and company levels must be trained, starting with the daily routine and going on to the problems of party members and the capabilities and qualifications of commanders. The company and platoon cadres must first of all firmly grasp the lessons summarized in their past experience, for example, on the battlefield and in military management and in seminars, so that they will be able to apply them in their work.

After being trained and going on to their work, there must be specific techniques to improve the cadres. This means organizing discussions of the problems they have encountered, training, summarizing models, etc. By doing this in all aspects of their work they will help increase the abilities and also promote the rights and duties of the cadres in the bases. After completing each duty, the higher-level cadres must observe and assess them directly and make a detailed critique so that the cadres at the lower levels will understand how to reinforce their strong points. After the process of correcting the mistakes and preparing and improving cadres, the higher cadres must themselves improve their own training and teaching techniques. They must not stand still, and thus at the same time they must improve themselves in every way. In this way they will be responding to their expected duty of improving the lower-grade cadres.

It is not just any rank of cadre, for example, but cadres at the platoon and company levels who, after finishing school, must be helped by collective groups, by the higher echelons, and by private individuals. Each one also tries to learn on his own. Whether they were trained for short or long periods, or were military school students or general education students, or are basic-level military officers or combatants, all platoon and company cadres must be carefully trained at various levels on a continuing basis.

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CSO: 4206/39

BRIEFS

REGIONAL FORCES BATTALION OPERATIONS--Regional Forces Battalion "A" in Houa Phan Province has attentively carried out its two strategic duties of defending and constructing the socialist nation in its own area of responsibility. Its duties emphasize defense of its locality and improvement of its own units with determination. From October 1984 to June of this year, Battalion "A" in Houa Phan Province searched with determination for bandits in its own locality. In 9 months it carried out 36 major and minor operations, including 13 searches for bandits. As a result, its locality is at peace, and the people of ethnic groups feel free to earn a living and to construct the nation. Regarding improvement in the unit, it started 1 military training course, constructed 15 houses, raised 10 cattle, 49 pigs, 55 goats, 2,006 chickens, etc. /Excerpt/ /Vientiane KONGTHAP PASASON LAO /LAO PEOPLE'S ARMY/ in Lao 5 Sep 85 p 6/ 9884/12228

CSO: 4206/40

MAHATHIR WARNS PEOPLE NOT TO TEST GOVERNMENT

BK271235 Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 86 pp 1, 2

[Text] Seremban, Thurs -- the prime minister today warned certain individuals not to test the government's patience by criticizing it beyond limit.

The government had been very patient because it wanted to be fair to them and to give them an opportunity to realize the consequences of their actions, Datuk Sri Dr Mahathir Mohamed added.

"However, let them not think we will not act (forever)."

Dr Mahathir reminded the people to be wary of individuals who blindly echoed accusations made by foreigners against the government for their own vested interests.

These individuals, he said, hid behind organizations and used the names of these organizations to criticize the Barisan Nasional government as well as UMNO [United Malays National Organization].

"They act as if they are the champions of the people," he said when addressing a gathering of about 8,000 people, comprising members of Barisan Nasional component parties and state dignitaries, at the municipal stadium.

The prime minister said the government had noticed a new trend in the country in which those who committed offenses were described as doing the right thing and whatever the government did was seen as wrong.

Amid shouts of 'Long live Mahathir' and 'We want Mahathir' from Barisan Nasional supporters, the prime minister spoke at length about the Nov 19 Kampung Memali incident in which 18 people, including four policemen, were killed.

He said it was caused by deviationist Islamic teachings and the placing of self-interests above all else.

He said the failure of the police to arrest Ibrahim Libya over a period of one year had made him and his followers more bold.

They had become boastful and had even threatened the police on occasion. The police had been patient so that they would realize their mistakes, but "if we had waited longer, more people would have been influenced by the actions of Ibrahim."

He regretted that certain people, including intellectuals, had not appreciated the police action at Kampung Memali.

Dr Mahathir said the incident had taken place because of politics. Ibrahim Libya, he said, had lost in the previous election.

He also expressed regret that there were those who would cheat, even kill, in order to win.

The people were urged not to give room to those who would cheat, even kill, in order to win.

The people were urged not to give room to those who defied God in trying to become the people's representatives.

He assured the public that the Barisan Nasional's struggle was respectable and for the benefit of the people.

The prime minister said independence would be of no use if the people had to suffer, adding that no one in the country could say he had not received any benefits since independence.

The government had, and would continue to give its attention to everyone in the rural and urban areas.

It was unfortunate that the achievements of the country under the Barisan Nasional government had been so great that there were people who harbored ill feelings against it.

"Not only do they try to deny the success achieved, but they run down the government just to weaken the country by harping on various issues, including the BMF [Bumiputera Malaysia Finance] loans scandal.

"These people are not interested in what we have done, but simply want to turn them into political issues, especially because they think the general election is near.

"These are all day dreams," he added during his one-hour speech.

He said the people would not possibly let them (the opposition) win the election because if they did they would only bring about discord and chaos.

He said opposition parties like the DAP [Democratic Action Party] and PAS [Pan Malaysian Islamic Party] could not rule the country because they only struggled for a single community.

The prime minister said the government realized that despite the various measures taken for the people there was still dissatisfaction amongst certain quarters.

What was important, he said, was that everyone gets a fair share of the benefits of the government's efforts.

He was aware of certain people who tried to weaken the Barisan Nasional by instilling suspicion against its leaders and regretted that some people had been influenced by them.

If such suspicion were widespread, it would affect Barisan's strength.

Dr Mahathir said a foreign journalist who had been charged in court in this country was now writing a book to smear the good name of UMNO leaders.

There were also foreign writers who tried to instill suspicion against Malaysia and its leaders in their articles.

He said these people were of the opinion that they were above the law merely because their nations were once the colonial masters of this country.

Dr Mahathir warned that the government would not tolerate anyone who committed offenses, regardless of the colour of their skin.

"They can write as much as they want, but we are independent and will not bow to them. We do not need them to teach us how to write about our own country."

These foreigners, he said, had not succeeded in delivering the goods to the people when they ruled the country before independence.

Negri Sembilan Menteri Besar [chief minister] Datuk Isa Abdul Samad earlier said the state UMNO and other Barisan Nasional component parties wanted Dr Mahathir to continue to lead the government.

He said despite the economic slow down, Dr Mahathir had managed to run the country well.

/12929
CSO: 4200/610

VOMD PRAISES CHINESE GROUP'S 'CALL FOR JUSTICE'

BK290415 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 27 Jan 86

["Short Commentary": "Call for Justice by the Chinese Community"]

[Text] On 12 October 1985 27 leading Chinese organizations in our country issued a joint statement calling on people throughout the country to unite in defense of the people's rights as well as the proper interests and rights of the Chinese community.

The Chinese, our second largest ethnic group, and other races have contributed significantly to our country. Many of our Chinese compatriots sacrificed a great deal during the anti-Japanese and anti-British colonial war and the struggle for national independence. Following independence, as citizens of our country our Chinese compatriots continue to spread their noble patriotic spirit into various fields to help develop our country.

Increasing awareness at present by Chinese all over the country will definitely strengthen the people's patriotic and democratic front force of all races. Traditionally our Chinese compatriots have been treated poorly. They have been discriminated, oppressed, and assimilated by the reactionary policies of the UMNO [United Malays National Organization] ruling clique -- the power behind the Barisan Nasional Government. The UMNO ruling clique has forcibly grouped the people of various nationalities into Bumiputera [indigenous] and non-Bumiputera. Based on this inaccurate classification, they belittle and in fact wipe out the valuable contribution made by the Chinese and Indian races in the nation's history and to the community.

Furthermore, they attempt to rob the wealth of all communities to protect the interests of a small group of bureaucrat and comprador capitalists, claiming that it is in the interest of the Malays. This is the aggressive policy of racial chauvinism.

The implementation of the UMNO ruling clique's policies not only violates the rights and legitimate interests of the Chinese and Indians, it also destroys the interests of the Malays. This has sharpened the conflicts between the UMNO ruling clique and the people of various nationalities. As a result, the regime is being encircled by all the people.

We are very happy to note that the joint statement issued by the Chinese organizations calls on all Chinese to unite strongly with their compatriots of other races to oppose the UMNO ruling clique's racial chauvinism. This is a definite contribution to the people's struggle against the reactionary policies of the UMNO ruling clique -- and the Barisan Nasional, controlled by the UMNO ruling clique, will be badly hit in the coming general election.

Our country is a multiracial one. There is no central conflict among the races. The current argument made by the Chinese statement in the political, economic, social, cultural, linguistic, and educational fields is in line with the people's common interest. The statement is not only supported by the Chinese community; it has received the sympathy and full support of other ethnic communities.

We are confident that our compatriots of various races will continue to deepen their mutual understanding, further promote the spirit of mutual assistance, make greater efforts for the just, patriotic, and democratic cause in the country, and achieve better successes.

/12929
CSO: 4200/87

MINISTER SAYS PAS INFLUENCING MUSLIM CHILDREN

BK281121 Kuala Lumpur NEW STRAITS TIMES in English 26 Jan 86 p 4

[By Shahrin Shuib]

[Text] Penang, Sat -- PAS [Pan Malaysian Islamic Party] is now sowing seeds of an Iranian-style revolution among innocent Muslim children in rural areas through the setting up of network of Islamic kindergartens (Taski), Information Minister Datuk Rais Yatim said today.

He said such kindergartens are part of the party's apparent long-term plan to topple the democratic system of government in the country.

PAS has so far opened three of them -- in Kedah, Melaka and Kelantan.

Datuk Rais was speaking at the presentation of appointment letters to UMNO [United Malays National Organization] election committee members for the Baling parliamentary constituency.

The function was held at the Dewan Tun Abdul Razak this morning.

The minister said the Taski educational syllabus, apart from being contrary to that of the ordinary kindergarten could, in the long-run, undermine the existing education system in the country.

"A dangerous aspect of the syllabus incites the Taski pupils to hate the government, Muslim leaders and recognised religious teachers in the country," he said.

The Taski in Kedah was recently set up by PAS near Kampung Memali. It has about 200 Muslim children from the surrounding area.

"Pupils in the Taski in Melaka are given lessons on word fighting. The pupils even challenged several policemen recently, "he said, adding that the policemen were only equipped with truncheons when they went to the kindergarten.

Datuk Rais said the Taski would prove to prejudicial to the country's security and democratic way of life its network spread to every district in the country.

Through Taski, he said, PAS was spreading false teachings to innocent Muslim children, besides advocating religious militancy through the use of offensive weapons and taking the law into their own hands.

He advised parents to be wary of the dangers posed by Taski and called on the peace-loving rakyat [people] particularly UMNO members to launch a signature campaign in urging the authorities to ban the kindergarten.

Datuk Rais disclosed that some of the video tapes recovered to Ibrahim Libya's home in Kampung Memali here contained Iranian-style revolutionary teachings of a militant nature.

"Taski will pose a big problem to the country in future if its growth is not quickly nipped in the bud," he said.

Datuk Rais said the setting up of Taski and the video tapes containing militant teachings were related to PAS' unfounded beliefs in an Iranian "blood-letting" revolution as the only means to seize political power in the country.

He said it was the responsibility of UMNO's 1.3 million members to counter PAS' revolutionary beliefs and to bring them back onto the right track.

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CSO: 4200/610

BRIEFS

RITHAUDDEEN-GRATZ 27 JAN TALKS--[Passage omitted covered by referent item] These were among the details discussed at a meeting between the visiting Austrian foreign minister, Leopold Gratz, and his Malaysian counterpart, Tengku Ahmad Rithauddeen, at Wisma Putra [foreign ministry] in Kuala Lumpur today. During the meeting, Tengku Rithauddeen expressed interest in Austrian technology and know-how in (?river) control. He called on Austria to import Malaysian goods directly from Malaysia rather than through third countries. Both countries have agreed to take steps toward establishing direct trade. On Kampuchea, the two countries stressed the need to keep the problem the focus of world attention until a political solution is achieved. The deputy secretary general of the Foreign Affairs Ministry, Datuk Razali Ismail, in briefing news men on the meeting, said the two ministers also touched on the South Africa's apartheid issue, the state of relations among the superpowers, and the position of Antarctica. [Excerpt] [Kuala Lumpur Domestic Service in English 1130 GMT 27 Jan 86 BK]

BALING INCIDENT PARTICIPANTS JAILED--Twenty seven of the 153 people arrested for alleged involvement in the Memali incident on 19 November last year have been detained under the Internal Security Act for 2 years. Deputy Public Prosecutor (Mokhtar Abdullah) disclosed this at the High Court in Alor Setar at a hearing today for 31 applications for a writ of habeas corpus for the release of 131 people detained in connection with the incident. Justice (Mustapha Hussein) later allowed an application for the postponement by 3 defense lawyers to enable the other 22 still under detention to file similar applications. The judge adjourned the hearing to 22 and 23 March. [Text] [Kuala Lumpur Domestic Service in English 1330 GMT 26 Jan 86 BK]

MCA LEADER RESIGNATION REJECTED--Malaysian Chinese Association [MCA] President Tan Koon Swan has been officially informed of his party's decision not to accept his letter of resignation. MCA leaders, headed by Deputy President Datuk Dr Ling Liong Sik, called on Mr Tan [words indistinct] to convey the message. Encik Tan, who is facing trial on six counts of abetment in criminal breach of trust, tendered his resignation yesterday, but it was unanimously rejected by the Central Committee at an emergency meeting. Datuk Dr Ling is believed to have also informed Encik Tan of various other decisions taken by the party. Till late this evening the MCA leaders were still having discussions with Encik Tan. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 27 Jan 86 BK]

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CALL FOR PARTIES MEETING--UMNO /United Malays National Organization/ is willing to hold talks with PAS /Pan Malaysian Islamic Party/ at any time to seek an understanding for the sake of protecting the interests of Muslims. Speaking in Gua Chempedak, the leader of UMNO youth movement, Encik Anwar Ibrahim said that an understanding between the two political parties would be of great advantage to the people and the country. According to him, PAS can make contact with UMNO through proper channels so that the discussion for an understanding can be realized. Meanwhile, in Kangar, Perlis, the state PAS information secretary, Haji Shuib Mohamed, said that the Malays will become a competent race if UMNO and PAS unite together in upholding the Islamic laws in this country. According to him, the unity of the Malays is getting less strong as a result of contradictory political ideologies among themselves. /Text/ /Kuala Lumpur Domestic Service in Malay 1230 GMT 31 Jan 86 BK/ 12228

NATIONALIST PARTY MEMBERS RESIGN--Eight of the 10 founder members of the Nationalist Party of Malaysia /NASMA/, including pro tem Deputy President Hajah Zainab Yang, resigned en bloc today, apparently bringing an end to the 5-month leadership tussel within the party. Announcing this at a press conference in Kuala Lumpur, Hajah Zainab, who had earlier claimed she was still the bona fide pro tem president of the party, said she would continue to be active in politics, including the possibility of contesting in the next general election. She said that all the founder members who had stepped down, especially CUEPACS /Congress of Unions of Employees in the Public and Civil Service/ President Ahmad Noor, will continue to show interest in politics and will remain free to serve the people. Hajah Zainab, who earlier had lengthy discussions with the seven others, said she was sad NASMA, which was formed to cater for the interest of the people, had been destroyed by negative activities carried out by certain people in the party. Hajah Zainab is also president of the Pan Malaysian Lorry Owners Association. /Text/ /Kuala Lumpur Domestic Service in English 1130 GMT 2 Feb 86 BK/ 12228

TAN KOON SWAN VISIT--Kuala Lumpur, 2 Feb (BERNANMA)--The Malaysian Chinese Association's (MCA) president, Tan Koon Swan, arrived at the Kuala Lumpur International Airport at Subang at 4:40 pm on a Malaysian Airline System (MAS) flight from Johor Baharu. He was greeted by about 8,000 of his supporters at the airport. It was learnt that earlier, he arrived at Johor Baharu by car from Singapore. In Johor Baharu, Tan called on the southern Johor State Chief Minister Abdul Ajib Ahmad to discuss "current issues." Accompanying him to the 40-minute meeting at the chief minister's office were /as received/? Johor MCA Liaison Committee Deputy Chairman Law Ali Heng. Tan who appeared jovial later told reporters outside the office that "we discussed general issues including the next general election." "Apart from that, today's meeting was merely a courtesy visit," he added. After that he drove off with Law for lunch. /Text/ /Kuala Lumpur BERNAMA in English 1115 GMT 2 Feb 86 BK/ 12228

MINISTER SAYS COMMUNISTS SURRENDER--Speaking at a news conference in Sibu, Sarawak, this afternoon, Sarawak Chief Minister Datuk Patinggi Haji Abdul Mahmud disclosed that a total of 26 former communist terrorists belonging to the North Kalimantan People's Forces -- Paraku -- had surrendered to the authorities last year. The chief minister added that the group was led by 60-year old Ubong Anak Huing and included several high-ranking Paraku commanders, six regional committee members, three party branch chiefs, and a number of ordinary Paraku members operating in the Rajang security command area. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 27 Jan 86 BK]

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CSO: 4200/87

NEW DEFENSE CHIEF DISCUSSES DUTIES, ROLE

BK261215 Melbourne Overseas Service in English 0810 GMT 26 Jan 86

[From the "International Report" Moderated by Sue Mc Alister]

[Text] Within days of coming to power last November the Wingti Government in Papua New Guinea made a number of key appointments at the most senior level of the country's administration. One of the more significant was that of Brigadier General (Tony Huai) who took command of Papua New Guinea's Defense Force. Under Papua New Guinea's constitution, its defense force known as PNGDF, has two major functions -- first to defend the nation against external aggression, and second to assist the civilian authorities in the maintenance of law and order when necessary.

General (Huai's) post is therefore a very sensitive one. Issues affecting it include Papua New Guinea's role as a leader in the South Pacific region and the country's sometimes strained relations with its big neighbor -- Indonesia the strain being mainly the result of Melanesians from the Indonesian province of Irian Jaya crossing the border into Papua New Guinea.

On the domestic front, Gen (Huai) must tackle the often delicate problem of how much military involvement there should be in what are normally considered civilian matters in a democracy. As well, he is faced by problems within the defense force. A year ago, the general himself resigned from the force to take up a civilian role in the bureaucracy.

Morale in the PNGDF has been a matter of concern for some time, but since assuming his new role of commander, Gen (Huai) believes he has brought a halt to the falling number of recruitments, and he has reduced the number of resignations by senior officers.

In this interview with Radio Australia's Port Moresby correspondent, Trevor Watson, Brig Gen (Tony Huai) acknowledges that the defense force is far from perfect. He admits that it is unable to fulfill its two constitutional requirements of helping to maintain law and order while protecting Papua New Guinea from any foreign attack.

[Begin recording] [Huai] It is far from having that capability to conduct. [changes thought -- FBIS] to carry out the function that is laid out in the

constitution. So, all I want to say is that the force in itself is not really with the capability to defend itself. We would need assistance from our traditional friends and traditional allies to come to our aid if there is any problems of a military nature.

[Watson] It would depend too, wouldn't it, on the degree of the problem?

[Huai] Absolutely correct. Also, it would also depend on the political climate at the time in other countries, such as Australia, whether or not they will come to our aid. So, it is very much...[changes thought -- FBIS] what we would like to see is that our government gives us the priority so that we deal with the problem ourselves before we ask assistance from overseas, for example.

[Watson] With such a small force, I think of maybe just over 3,000 men and women, what sort of threat to Papua New Guinea would the force be capable of dealing with?

[Huai] We see ourselves more concerned with the internal security of our country, that is, social unrest and internal stability which are our biggest problems. i do not see the border situation as a major threat situation that would develop to involve us. Naturally, if it did, we would get involved, but it depends on the political situation; it depends on the diplomatic status that we have with Indonesia to deal with the border problem. But our main concerns in the force are the social problems that arise, the state of emergency that was declared last year in Port Moresby and the internal political situation. The internal stability of the country is really our concern; to ensure that stability is maintained throughout the country.

[Watson] I would like to come back to internal matters in a moment. As far as external concerns go, a couple of years ago the PNGDF sent a force to Vanuatu to help put down a rebellion there -- an internal rebellion. I think that you led that force. To what extent to you see a role for the PNGDF in that type of area?

[Huai] Julius Chan is now the deputy prime minister, but when he was the prime minister he advocated very strongly the need for a South Pacific or a Pacific peace keeping force to deal with any internal problems of countries in that region. The concept is a good one. The problems of tying to man..trying to find command and control arrangements, of having the multinational force obviously would have to be looked at in greater depth and detail. But as a general concept, I certainly agree with that sort of concept to try and negotiate with the other governments in the region to help. I think if we look at the situation in New Caledonia, it brings home the point that you need to have an organization that will deal with both sides of the problem in a particular area. To me, I view the situation in New Caledonia as one that has the potential for a bigger conflict, and I think the message that needs to get to the French Government is that the writing is on the wall for them to move out, and it is only a matter of time when they move out. They should give the right of freedom, the right to conduct free activities by the Kanaks, you know, that sort of freedom for the people in New Caledonia rather

than France trying to intervene all the time, because one of these days they are going to have to go anyway. They are going to leave the situation in New Caledonia for the planters and the Kanaks to sort out.

[Watson] Moving back to domestic matters, why is there a role for the PNGDF domestically when in fact Papua New Guinea does have a police force?

[Huai] Basically, I think that is a constitutional question, that we have been given this secondary role -- we view it as a secondary role -- to assist the police in terms of any law and order problems to the extent where the Royal Papua New Guinea Constabulary would stretch its resources to an extent that they need our assistance to come in, whether in the form of logistics support -- which we have been giving them -- or in the form of actual deployment of troops to a particular area where we got close to doing just after independence on Bougainville. So, while I do not want to say that the police cannot handle any situation there still must be a need for the force to go out and assist where it is necessary.

[Watson] In the past there have been examples of the police and the PNGDF forces not getting on terribly well. What are relations like now between the PNGDF and the Royal Papua New Guinea Constabulary?

[Huai] I think I can be very confident in saying that our relationship with the police force now has been one of the best ever, as opposed to just pre-independence and post-independence when there was a lot of animosity and professional jealousies between the two organizations. I think the time when we had one joint services college where the police cadets went through and our defense force cadets went through, that understanding develops to the extent that some of them are now becoming middle-level managers in both organizations. So our relationship has been very good, and we will continue to be very good. I'm on very good terms with the police commissioner for example, and anything I can do to help him or he to help me, we do it on that understanding. So, I do not see any problems that might affect both organizations in the future.

[Watson] Do you think there are any political dangers in allowing the defense force to have an internal role, or almost a civil role, maintaining order or dealing with matters the police force is not capable of dealing with or assisting the police in areas like that?

[Huai] Yes, I think there are political problems associated with any deployment of a military unit in aid to civil power because other people would take sides; other people would use that opportunity as a political advantage over other people. What we try and do is, on the moment of being called out in aid to the civil authority, we go in as a military force in aid to the civil power, and that is what we do. No sides taken with anyone, and at the best of times we try to keep the politicians out of an operational area, and leave it to us to handle.

[Watson] But you are working in effect for the civil authority, is not the PNGDF operating as a force independent of the civil authorities?

[Huai] Exactly. We do not go out and operate in our own right as a defense unit. We go in aid to the civil authority. We get our orders from the government, and in fact, if you take the situation when we go into a province, the provincial premier is the head of the committee, so we actually take orders from him, and he looks at purely the political aspects of it, we look at the military aspects of it.

[Watson] Can you ever envisage a time when, perhaps, the PNGDF might have to be prepared to step in in place of the civil authorities if the civil administration, the political system, was to collapse to a point where the military had to step in, as has happened in many, many other countries around the world?

[Huai] Never. I do not think that is a role that the defense forces are geared to do. Basically from the point of view that we are such a small organization we could not be able to handle the country's problems. That point has been, you know, tried in the past, but I think, you know, our training, in our rights to our leaders are so well indoctrinated in our officers, inculcated in the training of the officers, that I cannot ever see a situation arising where we would take over the control of the government of the day. We would like to leave the procedures of the democratic processes of government to take course, and we do not envisage -- I, particularly, do not envisage -- any situation where we would come in and take over the government.

[Watson] Finally then, when you are planning for the future, to what extent do you resume in your planning that Australia would come to the assistance of Papua New Guinea given a problem that the PNGDF was not able to cope with?

[Huai] We look at in very similar ways to the Australians, I think because of our training, our traditional elements that were imposed on us with the Australians, and our contacts with them. I look at it this way. At the lower levels of conflict, it is the defense force of the country that will deal with the problem and when it gets any bigger, is the time when we ask for outside assistance -- mainly Australia, New Zealand, or even the United States -- but that is when the levels of conflict increase and the resources of the country are stretched to an extent that the nation's security forces cannot cope with the problem. That is when we ask for assistance. But I just reiterate, in going back, that it depends on the political climate of the time and what Australian interests are. The fact that we are going to...[changes thought -- FBIS] we might have a military problem, it might not be in Australia's interest to come to our aid. So, I always hold the view that whatever the problem is, regardless of the size of the problem, it is the PNG defense forces' first and foremost responsibility to its population to deal with the problem, and not necessarily ask for Australia at the first instance. [end recording]

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CSO: 4200/620

NEW ZEALAND

FINANCE MINISTER PREDICTS PAUSE IN ECONOMIC GROWTH

HK280309 Auckland THE NEW ZEALAND HERALD in English 22 Jan 86 p 3

[Text] The New Zealand Government will run at a small profit this year in a business sense, according to the Minister of Finance, Mr Douglas -- compared with a "loss" last year of 1.6 billion.

He was delivering a generally up-beat speech on the economic outlook to the Hamilton Lions Club last night, in which he predicted falling inflation, more flexible wages and a pause in economic growth.

He said the government spent 3000 million more than it earned in the 1984-85 financial year.

"About 1400 million of this was capital spending leaving 1600 million being spent on consumption." he said.

In 1985-86, the internal deficit will be matched by capital spending.

"In a business sense we will be running at a small profit compared with the fairly large loss situation we were in the previous year."

Prices Success

[The latest official estimate for the deficit is still 1600 million, though it is widely expected in financial markets to end up closer to 2000 million.]

Mr Douglas said the 2.3 percent increase in prices in the latest three months of 1985 was a major success.

"The outlook is for further reduction in the annual rate of inflation as growth in the economy is slow," Mr Douglas said.

He said that increased flexibility in the economy, through phasing out import licensing export incentives and farm subsidies, would put huge economic pressures on wages.

Flexibility

"Some groups of workers and employers will be facing a stark choice between going out of business and widespread redundancies on the one hand, and on the other hand new wage and productivity deals to help the employer to stay in business and the workers to keep their jobs," he said.

"The meat industry is a prime case in point."

But significant wage rises were justified in fields where there were labour shortages, including parts of the public service.

"In the first half of this year we are likely to see a pause in the very rapid rate of economic growth of the past two years," Mr Douglas said.

"I say this is likely because there is in fact a good deal of uncertainty as to just how rapidly the economy is adjusting to the economic policy changes of the last 18 months."

But he said there was still a high level of confidence in the medium term.

"Investment intentions are high," he said, "The share market is buoyang, and there is a considerable degree of optimism in our economic prospects being shown both by New Zealanders and foreign investors."

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CSO: 4200/614

ARTICLE VIEWS PROBLEMS OF MILITARY

HK250744 Wellington THE EVENING POST in English 21 Jan 86 p 1

[By defence reporter Roger Mackey]

[Text] The Army's Chief of General Staff Major General John Mace was forced to make a direct appeal to the prime minister, Mr Lange, last year over the head of defence minister, Mr Frank O'Flynn.

The POST has learned that Major General Mace made his appeal to the Prime Minister after Mr O'Flynn had delayed until the 11th hour approval for an army colonel to take up a posting to a course at the Canadian National Defence College.

Such appeals to the prime minister are allowed under the Defence Act 1971 to all three service chiefs. They are made only rarely, and if the chief of staff considers the circumstances exceptional.

The POST understands that Major General Mace made the appeal because otherwise the smooth succession of command at the very top levels of the army would have been hampered. Promotion above certain ranks in the services is dependent on having completed courses such as those the colonel in question was scheduled to attend in Canada.

Mr Lange allowed Major General Mace's appeal.

There has, however, been at least one other occasion in which ministerial approval for a overseas training posting was delayed until the last minute.

Matters other than training have also worried the services. Of particular concern has been delays in the purchasing of much needed equi 3,5.

The army's choice of a 5.5 inch artillery weapon was sidelined after the army had decided on a suitable gun and the programme and funds had been earmarked.

This meant the gun choice had to go through the cabinet approval process, where on December 18 a decision was deferred until the defence review committee reported and the defence review was finished.

The POST also understands that objections were raised to the chosen weapon on the grounds that it appeared too offensive and, because of its size, was too obtrusive.

The navy has also experienced difficulties in getting agreement to make a $6 million saving on the purchase of a tug and target towing vessel for the Devonport Naval Base.

The chance arose when the Navy was offered a tug by the Timaru Harbour Board for about $1 million. A new vessel would have cost around $7 million.

Finally after considerable lobbying, the navy was able to get agreement to go ahead with the purchase of the tug from the Timaru Harbour Board.

The decision to buy the tug was apparently the first major purchase decision for the navy made by the minister -- but it was not done until he had been in office for over seven months.

According to POST sources the outflow of trained personnel from the services was particularly crucial in the middle ranks, with officers with marketable skills heading for civilian jobs.

According to a navy assessment it will take 10 years to replace those who have left in the last 12 months, even if recruiting targets are met in full.

This is considered unlikely. Recruiters have even found themselves unwelcome at certain schools which formerly provided a number of recruits each year.

In some areas of the services it is understood levels of manning are at a similar level to that which led the air force last year to place a partial ban on any further air crew leaving for civilian jobs.

At one point early last year the air force was so short of pilots that pilots serving in administrative posts at defence headquarters in Wellington were posted to squadrons so that a minimum level of activity could be maintained.

Even with the ban on air crew leaving the air force within two years of their resignation, there are only two operational crews posted to No 5 squadron which operates the Orion maritime surveillance aircraft.

This raises the question of the usefulness of a sixth Orion bought last year from the Royal Australian Air Force. The squadron now has four more aircraft than operational crews.

There was considerable publicity late last year on the difficulties associated with the refit of HMNZS Wellington because of shortages of trades people at the Devonport Naval Dockyard.

Less well-known are the operational problems this has caused the navy's other frigates. Last year, for example, HMNZS Southland went on exercises with defects in its anti-submarine navigation radar, its weapons systems, and its weapons data system.

HMNZS Waikato is long overdue for a refit and there are fears this could lead to a serious breakdown if the frigate is asked to do very much.

The ANZUS crisis continues to have ramifications for the services.

The POST understands that the recently approved avionics upgrade for the RNZAF's skyhawks comes with a number of conditions attached.

Among these is that certain key parts of the new system cannot be repaired in New Zealand but must be shipped back intact to the USA.

This would deprive the air force of flexibility and any chance of keeping its technical staff abreast of developments in equipment.

This condition is understood to still be the subject of negotiation between New Zealand and the U.S.

No similar conditions were put on the maintenance of equipment of a similar level of sophistication when it was bought by the air force and installed in the Orion maritime surveillance aircraft. This deal was completed some time before the ANZUS crisis developed between the U.S. and New Zealand.

When HMNZS Canterbury was in the U.S. and Canada last year the U.S. "freeze-out" resulting from the ANZUS crisis included a ban on any U.S. armed forces team playing the Canterbury's rugby team. U.S. personnel were also banned from attending a cocktail party on the ship.

The combined services rugby team wanted to play a Californian service team during its recent overseas tour but was instead guided into playing a Californian civilian team.

A recent communication from the New Zealand defence liaison team in Washington stated that the U.S. services' relations with the USSR were only marginally worse than their relations with New Zealand.

The ban on exercising with U.S. forces is apparently having a significantly greater impact on the navy than on the other services because the New Zealand Navy is specifically designed to work in with larger forces.

Hence training for naval personnel has become much more restricted than before the crisis blew up and many skills cannot be taught and acquired.

The services also consider they have taken an unnecessarily low public profile in all of their activities since the ANZUS controversy began. This sensitivity, the POST understands, has extended to requests that no anti-government cartoons be displayed in defence headquarters.

This move was widely seen in the services to be ridiculous.

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CSO: 4200/614

NEW ZEALAND

BRIEFS

IMPACT OF ANZUS ROW--The retiring chief of naval staff, Rear-Admiral Cedric Steward, made a farewell visit to the Devonport Naval Base yesterday and told 1100 sailors of the difficulties the ANZUS row had raised. It was hard, he said, for the navy to maintain its high level of expertise without the understanding and co-operation of the United States. He did not see any early end to the impasse between the two countries. Rear-Admiral Steward retires at the end of the month. His successor will be the Commodore Auckland, Commodore Lin Tempero. During the parade a number of sailors collapsed in the heat and were taken to a cooler area to recover. [Text] [Auckland THE NEW ZEALAND HERALD in English 17 Jan 86 p 2 HK]

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CSO: 4200/614

OPPOSITION FEARS REPRISALS, VIOLENCE AFTER MARCOS' WIN

OW290857 Tokyo KYODO in English 0641 GMT 29 Jan 86

[Text] Manila, 29 Jan KYODO -- Opposition people assembled in a forum here Wednesday and expressed fears of possible reprisals, violence and violations of human rights if President Ferdinand Marcos wins the February 7 election.

Member of parliament Homobono Adaza, who Marcos alleges as being one of rival candidate Cory Aquino's campaign advisers, said a Marcos victory though remote "would bring about the implementation of the Indonesian solution of 1965 to 1967 wherein more than a million Indonesians were killed."

"Marcos has been harping about this in many of his speeches," Adaza said at the forum sponsored by the ecumenical movement for justice and peace.

J. Virgilio Bautista, a director of Bayan, a cause-oriented organization calling for the boycott of the coming elections, warned of an "escalation of human rights violations and an arresting spree, especially of personalities identified with the militant opposition and some moderate opposition leaders."

Although conceding that Cory Aquino would be better than Marcos, Bautista maintained that Marcos is sure to win. "The United States is supporting Marcos because they think that a Marcos loss would lead to instability in the country. They are not really interested in fair and honest elections, but in a credible one, with Marcos still on top," Bautista said.

Bautista added that Marcos would like to win by a ratio of 80 to 20 over Aquino "but other forces would like it to be no more than 60 to 40."

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CSO: 4200/613

CEBU GOVERNOR DEPLORES HECKLING OF IMELDA MARCOS

HK271600 Manila METRO MANILA TIMES in English 26 Jan 86 p 3

[Text] Cebu City -- Cebu Gov Eduardo R. Gullas has deplored the uncivil conduct of a group of hecklers who threw objects and booed the party of the First Lady Mrs Imelda Romualdez Marcos, when it joined the "Sinulog" parade here Sunday.

The governor said he was deeply embarrassed by the heckling, which grew loudest as the party negotiated the route of the Sinulog parade along Gen Maxilom Avenue on the way to the Mactan Alternate International Airport (MAIA).

Gullas said, "I was deeply embarrassed as every right thinking Cebuano would have felt because the unruly conduct of the group which marred the otherwise peaceful Sinulog parade did not reflect the true character of the Cebuanos, who are known for their warm hospitality and humility as well as deep respect for visitors."

The First Lady arrived in Cebu from a mammoth rally in Tagbilaran, Bohol to pay homage to the Senor Sto Nino, the patron saint of Cebu and Tacloban.

She was also scheduled to make a courtesy call on Cebu Archbishop Ricardo J. Cardinal Vidal, but missed her appointment because of her hectic schedule.

The party of the First Lady was blocked by pedestrians and vehicles watching the fluvial parade at F. Sotto Drive so it took the Gen Maxilom route where the incident occurred.

Gullas, who is provincial chairman of the ruling party, clarified that the First Lady came here to pay homage to the Sto Nino and not to campaign.

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CSO: 4200/612

COLUMNIST LINKS U.S. WRITERS, ARTICLES TO MARCOS PR CAMPAIGN

HK281522 Manila BUSINESS DAY in English 28 Jan 86 p 4

["Bottom Line" column by Gaby Manalac: "Costly Trade-Off"]

[Text] A lady friend of my wife received a letter from President Marcos addressing her as "my dear comrade-in-arms." She certainly knows nothing about combat and is much too young to have fought with President Marcos in World War II.

I myself received two letters on the new turnover sales taxes addressed to two defunct corporations with which I was once connected.

I guess it is that time during an election campaign when everything goes in top high gear and propaganda saturation becomes the final strategy, and hang the expense.

While the propaganda contest here has reached oppressive proportions, there is a less obvious public relations campaign being waged in the United States, and which I think is gaining points for President Marcos.

Architect of the pro-Marcos campaign is Black, Manafort & Stone which has been described as Washington's hottest political power broker. It is also engaged in lobbying, political consultation, public relations, and has a number of countries as clients, including Angola, Nigeria, Bahamas, and Peru.

Reports have it that its most recent client is the Philippine Government which hired it to turn around Washington's negative attitude toward Mr Marcos. The fee for the relatively short-term campaign reportedly comes up to a hefty U.S. $3 million; $1 million as retainer and the balance of $2 million for expenses.

Personally handling the Philippine account is the firm's youngest partner at 33, Roger Stone, who is described by his own partners as their "bad boy." He ran President Ronald Reagan's election effort in the Northeast, is an expert at dealing with the press, and loves to wear $600 tailored suits from London.

Despite his "bad boy" and high-life qualities, or perhaps because of them, Stone has done an extraordinary job of softening negativism toward Mr Marcos, and all in the span of a few months.

Early last year and even toward June and July, the American press and official Washington just about declared with finality that only the ouster of Mr Marcos could save the Philippines from a communist takeover.

Mr Marcos, of course, vehemently denied that the communists were anywhere near a takeover and that they could not have had more than a complement of 5,000 armed men.

Today, that tune has changed and, probably with the advice of Stone, the link now is that the communist takeover is so real that a conspiracy to oust Mr Marcos may just make the Philippines another Cambodia, Vietnam, or Nicaragua. This opinion has been implicitly, and sometimes explicitly expressed over the past two months or so by leading U.S. opinion makers such as former UN ambassador Jeanne Kirkpatrick, COMMENTARY MAGAZINE editor Norman Podhoretz, and columnists Stanley Karnow, William Murchison, Tom Wicker, Joseph Kraft, and a few others.

The opinion switch has been fast, but imperceptible. First it was "out with Marcos," then it was hands off Philippine elections; followed by "Marcos is bad but there are worse;" and finally that American military (as well as other) interests in the Philippines will probably be better off with Marcos.

This is high-powered public relations at its most efficient, but not without cost and trade-offs. Perhaps aware that his crusade was slowly being side-tracked, New York Rep Stephen Solarz has come out with real bloody details on the hidden wealth issue. While the adopted son of Batangas admits no U.S. law might have been violated by purchase, if any, of property in the U.S. by the First Couple, he did succeed in impugning the integrity of the First Couple.

But what will hurt the Marcos campaign even more is the recent allegations of an American historian that Mr Marcos was not the guerrilla hero he claimed to be, and that he might even have collaborated with wartime President Jose P. Laurel and traded with the Japanese occupation forces.

Corruption and mismanagement are issues that can be debated with relative detachment. But the matter of a fake hero, whether substantiated or not, can become a very emotional issue, and if converted into ridicule, could be devastating, and there is no way within the last two weeks of this campaign to turn such an eventuality around.

However, what Mr Marcos has going for him is near-total control of Philippine media, and the hope that Black, Manafort & Stone will have, at the very least, neutralized Cory Aquino sympathizers in official Washington.

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PHILIPPINES

FORMER PC OFFICER BELIES COUP PLANS AGAINST AQUINO

HK250802 Hong Kong AFP in English 0754 GMT 25 Jan 86

[Text] Manila, 25 Jan (AFP) -- The armed forces would not seize power if Corazon Aquino won next months' presidential election, contrary to President Ferdinand Marcos's claims, a former ranking paramilitary constabulary official said today.

Mr Marcos has warned that certain elements in the military could stage a coup if Mrs Aquino won the election and allowed communists into her government.

Mrs Aquino has said she would consider allowing communists into the government if they renounce violence and participated in elections.

Former constabulary Colonel Mariano Santiago, who quit the service Wednesday to campaign for Mrs Aquino in the February 7 poll, told reporters that the military rank and file were more interested in ensuring a clean and fair vote.

He said most soldiers were loyal to the presidency and to the constitution, and "I feel that the military will not choose to intervene."

The constabulary, which performs both military and police functions, are among four major services of the 200,000-strong Philippine Armed Forces headed by General Fabian Ver, a close associate of Mr Marcos.

Leaders of a reformist group in the military which claims 70 percent of junior officers as its members, have said they would support Mrs Aquino if she won the presidency.

Mr Santiago said he believed in Mrs Aquino's pledge to proclaim a six-month cease fire and hold dialogue with leaders of the 15,000-strong communist New People's Army (NPA) if she won the election.

"It's no different from what has been done successfully in past administrations," he added.

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COLUMNIST LAUDS BAYAN 'CLARITY OF VISION'

HK290432 Quezon City ANG PAHAYAGANG MALAYA in English 13 Jan 86 p 4

["9 Pts 12 Ems" Column by Marichu Co Lambino: "Political Leadership"]

[Text] The snap polls participation bandwagon for the opposition can be divided into the following: those who sincerely believe that the opposition can win despite massive cheating and the elections will solve our problems; those who do not necessarily believe so but are afraid to be "isolated" from the favorite sentiment; political forces who want to enlarge their machinery and mass base by riding on the popular sentiment but do not necessarily believe in elections; those who feel that the election is the most effective venue to propagate the issues and educate the people, but do not necessarily believe in elections.

Of course these are not static classifications for in reality, they are made up of a combination of these types.

I can understand because I have some friends who, truly, but truly, believe that the elections will not solve our problems, but are afraid of getting "isolated".

On the other hand, those who want to transform the elections into a venue to educate the people have been frustrated a number of times by the way the moderate opposition has been handling the campaign, and by what happened to the nationalist portion of the Laban [People's Struggle] program which became a watered-down program of government as a result of the merger with UNIDO [United Nationalist Democratic Organization].

It takes a certain amount of steadfastness and firm resolve to be able to stand up and say, "I'm sorry but I sincerely do not believe that the elections will solve our problems but will deceive the people and will therefore opt for boycott at the same time concentrating on educating and organizing the people based on issues."

It had to be Bayan [New People's Alliance].

This call can be assigned by history only to those whose clarity of vision reach beyond two months, a year, three years; those who are working for qualitative social transformation; and those who are building the capacity for long-term political leadership, not just two months, a year, three years. Those who believe in harnessing people's power by educating and organizing them.

But there is no antagonistic relationship between these two sides because all of them are aiming at one principal opponent: the Marcos regime as backed up by the U.S. Government. Each of us has a role to play in history.

For the survival of this loose and broad anti-dictatorship front or democratic forces, a modus vivendi must be reached such that the main focus of attack should be the Marcos puppet regime, and for the more advanced, U.S. intervention in Philippine affairs.

Mr Marcos in trying to seduce the opposition made a propaganda blunder when he stated at the beginning that the issue is Marcos: This surely swayed the popular sentiment in favor of the opposition. The propaganda tacticians saw the mistake and changed the tone of their propaganda in a matter of weeks. The Marcos camp started blabbering that the issue is communism. The opposition should see this for what it is: a ruse.

The main issue is: What kind of political leadership will solve the problems of the Filipino people and what program of government reflects the people's genuine interests?

Programs of government should be scrutinized now.

For instance, the original program of government of Laban provided for the unconditional release of political prisoners, but the merger with UNIDO saw a watered down version: political prisoners will be released only if they stop advocating violence. If your political and economic system can provide adequately for the basic needs of the people, no amount of advocacy for revolution can be attractive to the people. Only those who are unsure that their political and economic system will benefit the majority over the minority will fear a truly open and free market of ideas.

This reminds me of an anecdote about popular African leader Nelson Mandela, president of the outlawed African National Congress who has been detained for many years. He is probably the counterpart of celebrated political prisoner Jose Ma Sison. Mandela, after being tortured incessantly for weeks, was made an enticing offer by his military captors: "We will release you, Nelson Mandela, but only if you renounce violence." The tortured Nelson Mandela stood up and said: "YOU [preceding word published in boldface] renounce violence."

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'DELICATE' BAYAN, SISON POSITIONS ON SNAP POLL ANALYZED

HK170913 Manila BUSINESS DAY in English 16 Jan 86 p 5

[By Marites Danguilan-Vitug]

[Text] The left is doing a delicate balancing act on the snap presidential elections. It has chosen to boycott the Feb 7 polls yet does not plan to completely stay out of it.

The Bagong Alyansang Makabayan (Bayan) is forming teams to monitor poll fraud and help the opposition document cheating. In this way it can maintain its links with those who have opted to participate in the elections.

Sources in the left say they will also speak up if any of the opposition candidates' rights are violated and should the opposition lose, join any post-election protest against fraud.

Bayan recognizes that it has taken an unpopular position but one that it views as the "correct option" because the election is "farcical" and a "scheme of Marcos to legitimate his regime."

J. Virgilio Bautista, Bayan electoral struggle chairman, explained, "we are interested in preserving the credibility of the organization...Our premise is there is no genuine contest to get rid of Marcos."

"When people are sober, they will seek the organization which approximated the correct analysis, no matter if it goes against the groundswell," he said.

The decision to boycott the polls has raised critical issues on the role of the left in the parliamentary struggle against the Marcos regime. What importance is given elections which are very much a part of the legal struggle? It is askeh. What then, is the left all about?

As one left sympathizer said, "I can understand if the underground chooses to boycott since they are engaged in armed struggle. But it is difficult to see why a legal group like Bayan should do so."

Bautista stressed they do not dismiss elections just because these are held under the Marcos government. "We take them on a case-to-case basis."

Thus Bayan, he said, is gearing for the local polls in a move to wrest control of towns and cities where they have strong presence. They will enter into coalitions with other opposition groups for the local elections.

Bayan officials say the opportunity to discuss issues close to the people is greater in local elections since the campaign is focused on smaller areas. Moreover, the local election campaign will allow penetration into places otherwise difficult to visit during the presidential campaign. Bayan, as conceived, addresses itself to all forms of legal struggle, elections as well as protest marches, strikes, demonstrations, civil disobedience.

Some left sympathizers, however, question the wisdom of taking a stance that ignores the majority's desire to register its protest through the electoral process. They point out that Bayan's alliance-building efforts will suffer.

Within the left itself, some see a problem of maintaining unity with other opposition groups because of the boycott-participation split. They argue that a poll boycott will isolate the left from the mainstream opposition and the people they seek to mobilize and organize. It will also lend credence to the "unfair charge" that Marcos is the left's best ally.

Bautista explained: "We have not burned our bridges with the moderate opposition and we are not sacrificing our links with them. What is more important to us is after the elections; this (Feb 7 polls) is just a passing thing."

"Where is if we just follow what the people want instead of presenting them the correct option?" he asked.

Another source in the Left told BUSINESS DAY the basis for forming a "united front" will still exist after the elections and there is no worry they will be cut off from other opposition groups. "The post-election situation will take a turn for the worse," he said.

Political detainee Jose Ma Sison, in a Dec 26 statement, said he fears the cause-oriented organizations, if not firmly united with other opposition groups, may come under "violent suppression" before the local elections. But Bayan's Bautista said, "at times, there is a need to risk apparent isolation if the price to pay is holding on to principles."

He added that with or without the left's boycott position, the regime can clamp down on the Left.

Still, one sympathizer said, "Bayan should have taken a stance of critical participation." The sympathizer cited Sison's statement saying those for "critical participation" can extend direct support to the opposition ticket but "make clear that they do not place their hopes mainly or entirely on any electoral exercise arranged by the fascist dictatorship."

Sison argued for adopting "minimum boycott" and "critical participation" for the sake of flexibility and maintaining unity. "Maximum boycott," he explained, "is too rigid a position in face of the face that...all opposition

political parties and the spontaneous majority of the people are for critical participation."

A source from the Left said they had to take a clear and categorical stand. "A position of participation, though critical, will be drowned. We must take an advance position even if unpopular..."

Bayan has called for an active boycott. It plans to organize marches and rallies to marshal support for their cause.

Sison also argued that such an active boycott waged to the extent of asking the people to stay away from the polls will take away votes from the opposition and "allow these to be delivered to the regime..."

Boycott, said some sources in the Left, can give Marcos an "appropriate operational cover" for sabotaging the polls and blaming it on "disruptive activities" of the New People's Army (NPA).

These same sources say Bayan could have participated in the elections and reached people during the campaign to raise nationalist issues and politicize them.

This stance has been adopted by an organization of former political detainees which opted for participation because it sees the election as an opportunity to expose Marcos's "criminal" human rights record. It is also supportive of opposition presidential candidate Mrs Corazon C. Aquino's promise to release political prisoners.

A nationalist bloc has also said it is participating in the elections without any illusions it would bring meaningful changes to society. The lead organization in this bloc is the Movement for Philippine Sovereignty and Democracy or Kaakbay.

Leftist sources who advocate a similar stance -- "participating without illusions" -- say they are not oblivious of the fact that Aquino and her running mate, Salvador Laurel, do not represent a genuine alternative. They look at the elections as another medium of protest.

But the left is perceived to have been overtaken by the speed of events, unable to unify both other opposition cause-oriented groups and "intervene early enough" to make sure that anti-imperialist issues are discussed in the campaign.

The Left also engaged too long in a debate on what position to take on the snap polls thus delaying arrival at a decision.

The difficulty that the legal Left encountered in arriving at a decision on the snap elections is a sign of healthy debate within its ranks. Another Left source explained the legal left is still a relatively young phenomenon having blossomed only after the assassination of Benigno S. Aquino Jr in 1983. He pointed out it is still adjusting to its role in the parliamentary struggle.

The same source said that the legal left, while ideologically akin to the "national democratic forces" should, ideally, pursue the parliamentary struggle as an autonomous body. The legal left needs to have leaders who will be able to march their troops in the legal arena and participate in a meaningful way, he pointed out, while at the same time advancing the cause of "national democracy."

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FORMER OFFICER SAYS AFP REPRESSIVE, FEARS ELECTION ROLE

HK290305 Quezon City WE FORUM in English 14-20 Jan 86 p 13

["AFP and Its Colonial Heritage" by Desiree Carlos]

[Text] A former military man and political detainee said that whatever role the Armed Forces of the Philippines [AFP] will take in the coming elections, it will be consistent with its present character as an instrument of state repression.

Navy Capt (ret) Dan Vizmanos (his navy rank is equivalent to a full colonel in the army), cell mate to journalist Satur Ocampo Fr Ed de la Torre and Fidel Agcaoili in Fort Bonifacio when martial law was declared, sadly noted that the AFP is turning into a "self-destruct mechanism" as it allows itself to be pulled into the "ongoing historical crisis of U.S. imperialism and neo-colonialism.

Vizmanos added that the AFP's historical background alone would show that it would continue to serve the interests of a few as the U.S. continues to have control and influence over it in a bid "to perpetuate a dictatorship that protects U.S. interests."

On Aug 8, 1901, the Philippine Constabulary [PC] was created during the American occupation as a counterinsurgency force against the revolutionary army. The first chief was Capt Henry Allen, an American officer. The PC was abolished in January 1936 but was reactivated in 1938 under the Department of Interior.

Vizmanos said that from 1901 to 1946, the PC was commanded by U.S. officers and supervised by U.S. instructors.

The Philippine Army [PA], on the other hand, employed U.S. advisers, Vizmanos added. What is interesting to note is the appointment of Gen Douglas Mac Arthur as the PA's one and only field marshall to date. Vizmanos said that even the U.S. Army had no field marshall when Mac Arthur got the appointment from then President Manuel Quezon.

From July 1941, Vizmanos disclosed, the AFP changed its name three times before becoming the AFP. From Philippine Army, it became the Army of the Philippines and was even later referred to as NDF or National Defense Forces.

From 1946 to the present, the Joint U.S. Military Advisory Group (JUSMAG) served as the AFP's brains on counterinsurgency operations, equipment, ammunition and even on how to choose personnel.

Vizmanos also recalled how the AFP served U.S. interests during the Vietnam War. "Philippine combat battalions were sent to an unpopular war of aggression and to support an unpopular Vietnamese regime," Vizmanos remarked.

From 1972 to the present, Vizmanos noted major transformations in the AFP. These include:

An increase in forces from 60,000 in 1972 to an estimated 165,000 excluding the Integrated National Police and the Civilian Home Defense Forces (CHDF).

There were only 7 generals before martial law was declared, now there are 100 or more.

Whereas there were only private armies during the Hukbalahap days, now the CHDF and other "private armies" have been integrated into the AFP.

Institutional constraints and influence like the religious community, mass media, the Congress, the judiciary and the mass media are now under control.

There is greater dependence on U.S. aid.

There is now unprecedented militarization of the country with AFP forces already distributed around the country at a time of peace where there is no foreign aggression.

Unprecedented popular resistance against the AFP, bigger than the Huks or the anti-Japanese resistance and there is no New People's Army vs the New People's Army now as there was Huk vs Huk before which only shows a united popular resistance.

"The AFP has now developed into an army which cannot perform its primary mission which is to protect the people and the country from external aggression. In fact, it has become a counterinsurgency army employed against the people," Vizmanos remarked.

Ironically, Vizmanos said, the AFP even gets its ammunitions from a foreign country, the U.S. He disclosed that despite the existence of two ammunition plants in Bataan and Canlubang, the AFP still gets 95 percent of its ammunitions from the U.S.

Where does this leave the Philippines in the event of a real external aggression? Vizmanos asked.

Vizmanos added that the AFP's colonial heritage is the root cause of its present "anti-nationalist streak."

"We need an army that is based on the dictum that the people come first. But how can this happen if the Philippine Military Academy is patterned after

the U.S.' West Point, when most ranking officers are trained in U.S. service schools, when the AFP itself is patterned after the U.S. army organization, when the AFP uses technical and field manuals for counterinsurgency which the U.S. used in Vietnam and failed?" Vizmanos asked.

Vizmanos concluded that the AFP cannot be expected to take up the cudgels for the people if it remains Pro-U.S. and anti-nationalist in orientation: Nor is it possible to fully disregard the possibility that the AFP will remain neutral thir coming election, as it should be, if it continues to allow itself to be the state's instrument of repression, Vizmanos added. [sentence as published]

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ARTICLE ON NPA ACTIVITIES IN SAMAR

HK290328 Hong Kong AFP in English 0237 GMT 29 Jan 86

[Article by Erwan Jourand]

[Text] Catarman, Philippines, 29 Jan (AFP)--The most noticeable features in this southern Philippines town, in the heartland of a mounting communist insurgency, are the poverty and the strong military presence.

Barely has the small plane touched down in this rain-soaked town when one notices an armoured car stationed outside the tiny airport, while inside rangers and paramilitary troops are posted, many bearing "vote Marcos" stickers on their rifles.

Catarman is the main town in northern Samar, one of three provinces on Samar Island some 600 kilometers (420 miles) southeast of Manila.

The island is the base for about 800 regular fighters of the communist New People's Army (NPA), according to most estimates, with about 500 occasional troops, according to a local journalist, although other estimates put the figure at 3,000.

"There are many troops here, because of the communists," said Layne Jones, an American baptist missionary who arrived here nine months ago to work in the nearby village of San Jose.

"They (the communists) are in the mountains. Some are in the town. Perhaps they are around us, watching us, but they do not generally attack civilians," he said at the airport.

A local resident, who asked not to be named, said the military were concentrated in the towns and only left them for crackdown raids.

"Apart from that, the NPA does what it likes. I have been stopped by them several times at road blocks," he added.

The Communists have said they will boycott a 7 February general election, and the government has warned of NPA plans to disrupt the polls. The NPA with an estimated total of 15,000 fighters has been waging a mounting insurgency against the government.

The local resident blamed the situation in Catarman on the region's economic plight. "The two main products here are copra and sisal. Since 1982, the price of copra has fallen from 9 pesos (0.48 dollars) a kilo (2.2 pounds) to 1.4 pesos (0.07 dollars) and that of sisal from 16 pesos (0.86 dollars) to three pesos (0.16 dollars), because of a lack of buyers."

"At the same time, the price of basic items like rice has risen steeply. If you add that to the abuses or atrocities committed by the army in the villages, you will understand why the insurgency is increasing," he said.

It has rained in Catarman almost without a break since Christmas, and the local people stay huddled in their makeshift homes, roofed with sodden palm leaves or ill-fitting wood planks.

The streets are deserted, apart from the occasional cycle rickshaw, its drenched driver struggling through the mud.

Outside the town, the poverty is even more apaprent, with dilapidated huts invaded by the water in this coastal area. The military and paramilitary troops in the region are frequently themselves responsible for attacks which they blame on the NPA, the local resident said.

"I have received threatening letters, but as I know that the NPA only attacks the corrupt or informers, I got in touch with some people who have contacts with them--they have representatives in the town--and I discovered that the NPA had nothing to do with the letters."

The NPA move freely in the jungle and mountain areas of the region, often staging ambushes near the towns, several local residents said. A former northern Samar provincial governor, Irene A. Balite, said that many of them had been at the Eastern University of the Philippines outside Catamaran, but had taken to the hills when President Ferdinand Marcos declared martial law in 1972.

"Then they started working among the peasants. Martial law, and poverty, that is the reason for the development of the NPA here," she added.

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IMPORT LIBERALIZATION CRITERIA FORMULATED

HK240551 Manila BUSINESS DAY in English 23 Jan 86 p 2

[Text] A seven-point criteria for determining which industry deserves to be exempted from the import liberalization program has recently been forwarded to the government for consideration.

Raul T. Concepcion, secretary-general of the Presidential Productivity Council (PPC), informed BUSINESS DAY that the criteria, formulated by an ad hoc committee composed of government and private sector representatives and chaired jointly by trade deputy minister Edgardo Tordesillas and himself, will likewise help determine how long these industries will be given tariff protection.

The points to consider, according to the PPC official, include the following: current production capacity and plant utilization rate over the 1983-85 period; foreign exchange savings; employment effect; existing tariff structure on finished products and raw materials; local content of domestically produced goods and the possibility of increasing the same effect on consumer prices; and the share of energy in total manufacturing cost.

President Marcos announced before a joint forum of the Makati Business Club, Bishops-Businessmen Conference and Management Association of the Philippines tuesday that the government is considering a one-year postponement of the controversial import liberalization program to give industrialists time to adjust.

In a related development, Prime Minister Cesar Virata disclosed that "a fairly intensive study" will be conducted to determine which industries will be temporarily exempted from the program and which ones could stand up to the competition from imported goods.

The review, according to Virata, will be completed before the end of February. The country will then negotiate with the World Bank, which set the import liberalization program as a precondition for several structural adjustment loans (SAL) granted since 1980.

The program will also be the subject of government consultations with the International Monetary Fund (IMF) review mission which will visit the country next month.

Concepcion noted that the suggested criteria -- the result of consultations with the 15 industries to be affected by the final implementation of the import liberalization program -- are most timely and could immediately be used by the government.

He explained that as much as possible industries which are currently operating at 40 to 60 percent capacity should either be exempted or at least continue getting tariff protection until plant utilization reaches healthier levels.

The employment effect, impact on consumer prices and additional foreign exchange expenditures caused by increased imports should also be considered, he said. He also added that industries which have a high local content in the form of labor and raw materials could be primary candidates for exemption or continued tariff protection.

While it is true that import liberalization could lower consumer prices in the short run, Concepcion noted that it might aggravate the country's balance of payments (BOP) position. This would happen, he explained if the program causes an upsurge in the purchase of imported luxury and non-essential commodities. He also added that industries which allocate about 16 to 17 percent of total production cost for fuel and power must also get some form of protection to ensure that they do not fold up.

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ECONOMY HURT BY IDLE TRADE CREDIT LINES

HK240541 Manila BUSINESS DAY in English 23 Jan 86 p 3

[By Conrado R. Banal III]

[Text] While the lack of trade credits from abroad could be fatal to business as was clearly shown during the foreign debt crisis that started in 1983, too much of such loans may also be a burden to the economy.

At the moment, the country has about $4 billion in trade credit lines, but according to estimates in banking, only about $1.5 billion of these are being used.

The interest cost to the economy of the idle trade credit lines could amount to a couple of hundred million dollars.

Some economists in private banks are saying that such interest payments have no corresponding economic benefits since the credit lines are not being used for production. "It is simply money down the drain," one said.

The government appears to be getting worried.

The constant prodding by government officials -- particularly Prime Minister Cesar Virata and Central Bank [CCB] Governor Jose B. Fernandez, Jr. -- that companies should start using the credit lines is viewed by many businessmen as an indication of how unfruitful these lines have been so far, and how heavy a burden their interest costs are to the economy.

The government is planning to avoid finalizing new trade credit lines from foreign governments this year, sources in the government said.

The National Economic and Development Authority (NEDA), for instance, is recommending that the next yen loan package from Japan's Overseas Economic Cooperation Fund (OECF) should contain only financing for specific projects, without the trade credit lines included in the two previous loan packages.

The government is scheduled to negotiate for the 14th yen loan package from the OECF by the middle of this year.

The 12th and 13th packages contained commodity loans for use of local companies to pay their imports from Japan. About $135 million of the $150-million commodity loan in the 12th package still remains untapped. This loan was given about two years ago, and the country can only start using the commodity loan in the 13th yen package if it uses up at least 90 percent of the earlier loan.

Also, the trade credit lines from the governments of Australia and West Germany may be allowed to expire this year. Granted in 1984, these two official credit lines amount to about $80 million, but less than 50 percent of them have been used, sources said.

Bankers nevertheless noted that the costs of these unused trade credit lines only entail commitment fees, which at most amount to only 2.5 percentage points.

The bigger burden to the economy is the $4-billion trade financing facility which foreign banks reopened last year as part of the financial rescue program for the country. Whether or not business uses this facility, the interest cost to the economy will remain just about the same, bankers said.

According to the program, foreign banks have to deposit with the BC whatever amount of these trade credit lines is not used by local firms. For these deposits, the CB in effect pays penalty rates of interest, or 2.5 percentage points on top of the commercial rates abroad based on the current prime rates in the United States, that would be close to 10 percent a year.

Reports indicated that about $1.8 billion of the trade facility from foreign banks is already deposited with the CB, and bankers are saying that more and more foreign banks are opting to convert their trade credit lines into deposits.

Bankers nevertheless noted that the country had to get all of the $3-billion trade credits from the foreign banks. These credits were existing at the time of the government's declaration of a moratorium on the country's foreign debt repayments. They said the government has estimated that the country would need only $1.8 billion of the trade-credit lines from foreign banks during the effectivity of the facility -- or until end-1986. But to get only $1.8 billion in trade credit lines, the country needed to repay $1.2 billion of the old trade loans.

Aside from the interest burden of the unused trade credit lines with foreign banks, another problem is that the government may face difficulties in renewing the entire $3-billion trade facility. Bankers said foreign banks may demand payment of their deposits with the CB when the trade facility agreement expires in December. This is "the easier way for the foreign banks to reduce their exposures" in the Philippines, a banker said.

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LABOR MINISTER ATTEMPTS TO FORM BUSINESS COALITION

HK240517 Manila BUSINESS DAY in English 23 Jan 86 p 24

[Text] Wanted: Filipino businessman to lead a newly formed coalition of local businessmen and industrialists with a P1-million funding to support "a new administration presided by the same leader, President Marcos."

Qualifications: Credible, prominent leader in industry and willing to believe the present political dispensation can still effect "positive transformations in the conduct of national leadership."

Compensation: Possibly a cabinet post, plus the "credentials as supporters of the Marcos-Tolentino team and therefore the right, after the elections, to participate in the policy-making actions of government."

Contact: Blas F. Ople, Minister of Labor and Employment, MOLE Bldg., Intramuros, Manila.

Such an ad could have run in the media in the last few days, after leading businessman Enrique Zobel announced last Thursday he was supporting President Marcos in the forthcoming presidential elections.

But Ople and some KBL stalwarts have instead chosen to make the rounds of the business community, searching for the business leader to head the newly-formed Philippine Business Coalition for Freedom and Democracy.

Businessmen said Ople's search informally started on the evening of Jan 17 -- the day after BUSINESS DAY published Zobel's declaration of support for Marcos -- after the opening ceremonies of the 3rd Philippine International Trade Fair at the Philippine Center for International Trade & Exhibitions [Philcite].

The opening ceremonies counted in attendance prominent business leaders because aside from the Philcite, the fair's other sponsor is the Philippine Chamber of Commerce and Industry (PCCI), the country's largest single grouping of local businessmen.

A three-page handout, "Notes on a Philippine Business Coalition for Freedom and Democracy" (which bears Ople's identifying initials on the last page and distributed among PCCI officials present at the fair) states that the "purpose

of initiating (the coalition), in support of the Marcos-Tolentino team, is...to provide an umbrella group for businessmen and industrialists who feel like Zobel and yet lack a ready outlet for articulating their views and enriching the current political debate."

The coalition proposes to be a vehicle for businessmen to demand from Marcos now "radical reforms in economic and business policies that will unlock private initiative and entrepreneurial energies in a more open, unrestricted and responsive market environment."

According to sources both in government and in the private sector, Ople has as early as last Thursday already listed at least six prominent businessmen as possible leaders of the coalition.

Of the six, four names have been scrapped from the list for reasons varying from "too close to Marcos for comfort" and "not close to Marcos but lacks credibility in the business community." The remaining two are said to be thus far either "thinking about it" or "uninterested."

The six are Aurelio Periquet Jr, incumbent PCCI president; Dante Santos, president of the Philippine Appliance Corp. and member of the Agrava fact-finding board; Raul T. Concepcion, secretary-general of the Presidential Productivity Council; Frel J. Elizalde, chairman and president of the Philippine Sugar Marketing Corp., Felix K. Maramba Jr., immediate past president of the PCQI; and Victor Lim, incumbent PCCI first vice-president.

But businessmen in general said they are taking a leery attitude towards the coalition, despite Ople's promise of a bargain with the president for a cabinet post in his "new administration" if reelected and a P1-million funding support to start up the coalition's operations.

"Anybody who signs in takes a calculated risk. You may have the cabinet post, you may get the concessions, but you also get tainted forever. If you do it, you're dead," one businessman said.

Others emphasized that "nothing is sure" with Marcos. Promises can be made before the elections, but will he really be true to his promises if he wins?" one asked.

On the other hand, many in the business community believe that Ople himself had "telescoped" in a brief shining moment after Zobel's declaration of support for Marcos his chance to perhaps further his political ambitions.

They said that thus far, Ople has failed to lure anybody in the business sector to head the coalition. Zobel, likewise, has been getting some flak.

"As chairman of the Makati Business Club [MBC], he should have shut up, because the entire MBC is now suspect. I don't think I will be renewing my membership in the MBC next year," one irate businessman said.

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FIGURES SHOW INCREASE IN NEW FIRMS

HK300612 Manila BUSINESS DAY in English 29 Jan 86 p 3

["Economic Indicator" column: "New Firms Increase"]

[Text] The number of newly registered corporations and partnerships grew with 642 more firms registering with the Securities and Exchange Commission [SEC] in 1985 compared with 1984 registrants.

Latest figures from SEC showed that 7,409 new entrepreneurs were registered in 1985 compared to 6,767 newly registered establishments recorded in 1984.

Paid-up capitalization rose by a hefty 75.79 percent to P2.106 billion in 1985 from P1.198 billion in 1984.

Last December alone 511 corporations and partnerships registered with SEC as against 490 firms in December 1984. Initial capital investments amounted to P98.89 million in December 1985, while initial capital investments in December 1984 were recorded as P68.09 million.

On a monthly basis, October had the biggest number of new corporations and partnerships at 689, but January turned in the highest amount of capitalization of P286.95 million.

Last October's number of new establishments was, however, lower compared with 787 new firms recorded in March 1984.

Number of Newly Registered Corporations and Partnerships with Initial Capital Investments in the Month
Amount in thousand pesos
January to December, 1985 & 1984

	1985		1984	
	no. in the month	amt. of paid-up	no. in the month	amt. of paid-up
December	511	98,890	490	68,094
November	574	130,900	545	85,482
October	689	234,070	638	119,585
September	629	234,804	532	78,323

[chart continued from previous page]

August	675	113,000	571	148,908
July	653	238,518	566	89,039
June	517	70,798	512	103,144
May	666	121,998	572	109,209
April	586	72,265	491	70,949
March	676	363,859	787	165,780
February	621	140,100	582	98,305
January	612	286,950	481	61,451
TOTAL	7,409	2,106,152	6,767	1,198,269

Source: Securities and Exchange Commission

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PHILIPPINES

BANKERS PROTEST OFFSHORE BANKING LICENSES

HK230729 Manila BUSINESS DAY in English 22 Jan 86 p 3

[Text] Local bankers are contesting the Central Bank's [CB] new rule allowing foreign banks with offshore banking unit (OBU) licenses to engage in peso transactions, but many of them concede that it is already a lost battle.

They believe the CB intended to use the additional functions it granted to the OBU's as a "sweetener" to ensure their cooperation in the country's bid to restructure its loans with foreign banks. The OBU's are among the country's biggest creditors.

OBU officials, on the other hand, claimed that the new CB rule was not what they expected. They said the Offshore Bankers Association (OBA) had nothing to do with the CB's opening of additional business lines to the OBU's. "It came as a surprise to most of us," an official of an american bank said.

Meanwhile, there is confusion in both local banks and OBU's regarding the extent of the new CB rule. CB Circular No 1098, which contains the rule, states that OBU's are allowed to "pay to the designated persons or corporations in the Philippines, the peso equivalent of foreign exchange inward remittance of Filipino overseas workers or of Filipino or multinational companies, coursed through the OBU's correspondent banks abroad."

Some local bankers said that, technically, "inward remittances of Filipino or multinational companies" will include export receipts. Local banks mainly depend on such receipts to get the dollars they need to pay for the imports of local firms and for the dollar obligations of the banks themselves.

Among the OBU's, on the other hand the general interpretation is that the circular refers only to non-trade remittances, such as incoming investments of foreign firms.

Both local banks and OBU's therefore want a clarification from the CB.

CB officials were not available for comment yesterday.

The Bankers Association of the Philippines (BAP) is planning to write CB governor Jose B. Fernandez, Jr to formally complain against the rule, while

some bankers have already personally talked to CB Deputy Governor Gabriel Singson, who signed the CB circular giving the additional functions to the OBU's.

Local banks are complaining because they claim that they are capable of handling the business the CB opened to the OBU's. Thus, whatever income the OBU 's derive from their expanded functions would mean income lost to the local banks.

If the additional business to OBU 's includes export bills, local banks will lose their biggest source of dollars. Bankers noted that huge export receipts, such as those from coconut products and sugar, are normally made without letters of credits (L/C's). Should the OBU's capture a big share of these export receipts, local banks would have to pay a spread to OBU's in buying those dollars.

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CSO: 4200/612

BANKERS UPSET BY CB INTERVENTION IN DOLLAR MARKET

HK260616 Manila BUSINESS DAY in English 24 Jan 86 p 3

[By Conrado R. Banal III]

[Text] The Central Bank [CB], the state-owned banks and the [word indistinct] private banks acquired by the government have dominated the interbank dollar market since the start of the year, and bankers are worried that their transactions, which they described as bordering on out-and-out market intervention, could invite the ire of the International Monetary Fund (IMF).

A BUSINESS DAY compilation of transactions in the interbank dollar market showed that the CB and these banks associated with the government have accounted for $124 million, or about 85percent, of the $147-million total trade since Jan 6.

Bankers agree that these banks have been buying and selling in the interbank dollar market -- mostly among themselves -- to control the peso-dollar exchange rate.

A major commitment of the government under its economic program submitted to the IMF is to allow the peso to seek its true market value, without intervention. The peso-dollar exchange rate has been a thorny issue in government-IMF negotiations for the country's past drawings from its standby credit line with the fund.

With the fund scheduled to start another review of the country's compliance with the IMF program next month, bankers fear that if the state-owned banks and the government-acquired banks continue manipulating the peso-dollar exchange rate, the IMF may again withhold the release of loans to the country.

The other day, for instance, when the peso was fetching about P19.15 to a dollar, these banks traded among themselves at P19 per dollar, commercial Bank of Manila, owned by the Government Service Insurance System (GSIS), bought $13 million; International Corporate Bank, owned by the state-owned National Development Co (NDC), another $13 million; and Associated Bank, owned by the Development Bank of the Philippines (DBP), $10 million.

The dollars came from other government banks. The Philippine National Bank (PNB) unloaded $16 million and Union Bank of the Philippines, owned by the Social Security System (SSS), $15 million.

Since they used a peso-dollar exchange rate of P19 to a dollar, these huge transactions prevented a peso depreciation which should have been triggered by earlier deals at P19.15 per dollar. The official guiding rate that day registered at P19.056 per dollar.

Bankers said the pressure on the peso became evident right at the start of 1986. The CB in December released more than P7 billion into the system. Part of these fund releases went into dollar purchases of commercial banks, since they practically have no other use for them. Loan demand, while starting to rise, is still anemic.

Some bankers believe however that the CB and the government banks are justified in their intervention in the dollar market because what was causing the exchange rate to move in recent weeks was basically renewed speculation among banks and not an actual rise in the demand for dollars to pay for imports.

Commercial banks appear to be anticipating a weaker peso after the snap presidential election on Feb 7.

Previously, however, the CB quelched dollar speculations through its open market operations, such as by borrowing at high interest rates from the banking system. The high income banks made from loans extended to the CB made dollar speculations less attractive. Besides, there was no certainty banks would profit from changes in the peso-dollar rate.

Bankers said that pushing up interest rates again, at this time, may be unacceptable to the government, however, because of the forthcoming presidential election. At the same time, the government cannot allow the peso to deteriorate since one of the election issues concerns the battered state of the Philippine economy, they said.

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CSO: 4200/612

PHILIPPINES

MINE INDUSTRY'S GROSS VALUE ADDED JUMPS SLIGHTLY

HK281440 Manila BUSINESS DAY in English 28 Jan 86 p 2

["Economic Indicator" column: "Mines' Gross Value Added Up"]

[Text] The gross value added (GVA) for the mining and quarrying sector last year reached P1,764 million, up by a slight 0.51 percent from the previous year's P1,755 million, advanced estimates released by the National Economic and Development Authority (NEDA) indicated. This was a reversal of the 10.73 percent drop in real terms in 1984 when the sector's GVA fell from P1,966 million in 1983 to P1,755 million.

Gross value added is the difference between the gross output of a particular industry and the cost of its production inputs.

Gross Value Added in Mining and Quarrying

By Industry Group

1983-1985

(Amount in million pesos)

Industry/Industry Group	At Current Prices			At Constant Prices		
	1983	1984	1985	1983	1984	1985
Copper Mining	1,784	2,915	3,313	1,284	1,154	1,083
Gold Mining	3,018	4,263	7,491	147	134	209
Chromium Mining	197	332	424	22	21	24
Nickel Mining	38	33	155	18	18	38
Other Metal Mining	153	169	295	30	22	44
Stone Quarrying and Sand Pits	1,270	1,517	1,303	328	272	202
Other Non-metallic	561	485	726	137	134	164
Gross Value Added in Mining and Quarrying	7,021	9,714	13,707	1,966	1,755	1,764

Source: National Economic and Development Authority

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PHILIPPINES

LOW SUGAR PRODUCTION MAY SHELVE ETHANOL PROGRAM

HK281510 Manila BUSINESS DAY in English 28 Jan 86 p 3

[Text] The government may have to shelve its $180-million ethanol program as financing problems in the sugar industry threaten to reduce the country's overall production of sugar this year.

Industry sources disclosed yesterday that the ethanol program, conceived by the Ministry of Trade and Industry (MTI) late last year, is premised on the existence of excess sugar stock which can be converted into ethanol.

Latest estimates, however, indicate that sugar production could only reach 1.3 million tons this year as against the earlier projection of 1.7 million tons due to the delay in financing. Sugar production in 1985 was about 2.3 million tons.

In view of this, sources said implementation of the ethanol program may have to be delayed until there is an excess inventory.

Domestic consumption of sugar is estimated at 900,000 tons, while exports to the United States this year are expected to total 208,000 tons. Given this projected production of 1.3 million tons, there will be only a little less than 200,000 tons left in stock.

Philippine Marketing Sugar Corp (Philsuma) President Fred J. Elizalde has pointed out that the sugar industry would need an estimated P1,200 million to be able to set up a stockpile which will accommodate all the sugar during the peak production season.

Elizalde warned that because of the continuing problem in securing financing for the sugar industry, production for the coming year would be much lower.

Under the ethanol program, the government will convert sugar in excess of the 1.4-million ton production level into ethanol. The ethanol produced will be used to displace tetraethyl lead (tel) in gasoline as an additive.

Under Presidential Decree No 2001, the ethanol program will be implemented over a five-year period. During the first year, ethanol will replace 5 percent of the total tel used. This share will gradually increase to 20 percent by the program's fifth year.

To implement the program, the government will encourage the setting up of 21 distilleries at a cost of $150-$180 million. Financing will come from various international multilateral financing institutions.

During its first year, the program will require 100,000 tons of sugar which will be converted into 300 million liters of ethanol. The sugar requirement of the program will gradually increase until it reaches 400,000 tons at the end of the five-year program.

With an estimated sugar production of 1.3 million tons, there will be no excess sugar stock this year that can be used by the distilleries to be set up under the program.

Previously, Philippine production of sugar was averaging over two million tons annually. With the sudden drop in sugar prices in the world market, the local industry was beset with numerous problems.

It is partly to bail out the industry from its present difficulties that the government drew up the plan for the ethanol program which could absorb the sugar production in excess of the requirements for the domestic and U.S. markets as well as for the buffer stock. The buffer stock usually amounts to 100,000 to 200,000 tons.

The other reason for the ethanol program is to gradually phase out the use of tel as a gasoline additive, a practice that has already started in various industrialized countries.

It has been discovered that tel is a poisonous lead compound that is harmful to humans. Prolonged exposure to tel could result in gastrointestinal damage and abnormalities in fertility and pregnancy. Contamination could also cause fetus malformation, mental disability, irritability, loss of appetite and reduction of the sexual drive.

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CSO: 4200/612

RISE IN CONSUMER GOODS IMPORTS ANALYZED

HK310122 Manila BUSINESS DAY in English 30 Jan 86 p 2

["Economic Indicator" column: "Consumer goods imports up"]

[Text] The freight-on-board (FOB) value of consumer goods imported during the period January to November last year increased by 24.01 percent of $79 million to $408 million from the year ago level of $329 million, latest data gathered from the Central Bank showed.

Mainly responsible for the increase was the 161.54 percent hike in the importation of beverages and tobacco. Purchases of these goods reached $68 million from $26 million in 1984, an increase of $42 million.

The food and live animals imports, which consisted of such items as dairy products, fish and fish preparations, rice, corn and other food items, was the country's biggest import category last year. Importations of these goods reached $300 million, 11.52 percent higher than the $269 million total purchases in 1984.

The volume of rice imports during the 11-month period last year totaled 538,000 metric tons valued at $110 million. These were bought at a unit price of $205 per metric ton. Last year's volume was higher by 161.90 percent than the previous year's 190,000 metric tons bought at $221 per metric ton. The total 1984 import value was $42 million. The National Food Authority (NFA) increased its rice imports to ensure that the buffer stock was big enough to stabilize prices even with the deregulation of the rice trade.

Minimal increases were recorded in the importations of dairy products which totaled 76,000 metric tons valued at $66 million (10 percent higher than 1984's 61,000 metric tons valued at $60 million) and corn grain imports which rose 17.24 percent from 182,000 metric tons valued at $29 million in 1984 to 281,000 metric tons valued at $34 million last year.

Consumer Goods Imports
January - November, 1984 and 1985
(FOB value in million US$; volume in thousand metric ton; unit price in US$/ton)

	1985 January - November			1984 January - November		
	volume	unit price	value	volume	unit price	value
food and live animals for food			300			269
dairy products	76	867	66	61	984	60
fish and fish preparation	5	267	1	--	--	--
rice	538	205	110	190	221	42
corn	281	119	34	182	159	29
others			89			138
beverages and tobacco			68			26
miscellaneous excluding professional, scientific and controlling instruments			40			34
TOTAL			408			329

Source: Central Bank

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PHILIPPINES

BRIEFS

DAGUPAN POLL BOYCOTT--Possible supporters of opposition candidate Corazon Aquino in Pangasinan are boycotting the February 7 elections. This was indicated in handouts supposedly coming from the national Alliance for Justice, Freedom, and Democracy. The handouts were circulated to over 1,000 students who attended the symposium on the snap election at the northwestern lyceum in Dagupan City. Reports indicated that the move to shy away from the polls is now being pushed silently in Dagupan, particularly among the students. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 24 January 86 HK]

'GRAND ALLIANCE'--Three former high-ranking leaders of the Moro National Liberation Front yesterday disclosed a grand alliance was formed among the Muslim secessionist group, the Communist Party of the Philippines, and opposition groups. The three former rebels, interviewed separately by the Philippine News Agency, were Alawi Mohamad (Alaseri), whose highest position in the MNLF was deputy secretary general and officer-in-charge of military affairs; Nur Khan, a former close aide of MNLF chieftain Nur Misuari; and Far Sharif Omar, the second-ranking rebel commander of the Basilan Revolutionary Battalion. Omar turned in April 1984, Nur Khan in February 1985, and Alawi in November 1985. All three were still active in MNLF fighters at the time the grand alliance was taking shape. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 19 Jan 86 HK]

UNIDO DEFECTORS TO KBL--Agrarian Reform Minister Conrado Estrella has confirmed that UNIDO [United Nationalist Democratic Organization] leaders in Pangasinan are now taking refuge in the ruling party's cavp. Estrella, who is KBL chairman for region one, made the statement following the launching of the KBL-UNIDO Coalition Movement for Marcos-Tolentino in Sison Town. He said close to 100 UNIDO leaders from the municipal to the barangay levels took their oaths of affiliation before the KBL municipal chairman in Sison. Estrella said the former UNIDO party men are transferring to the KBL in view of their disgust with the communist policy of the opposition presidential bid Corazon Aquino. [Text] [Quezon City Maharlika Broadcasting System in English 0300 GMT 29 Jan 86 HK]

WORLD WAR II ALLEGATIONS--The Manila city fiscal is expected to issue shortly the notices to two local newspapers about a multimillion peso libel suit filed against them. The charges were filed against the MALAYA and INQUIRER

newspapers by Florencio Cabanos. Cabanos was a ranking officer of the World War III guerilla unit, Ang Mga Maharlika [Noble Ones], which was organized by then Major Ferdinand Marcos. Cabanos complained that the two newspapers ran articles tending to show that the guerrilla unit was fake. He filed his complaint with city fiscal Jose Flaminiano. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 25 Jan 86 HK]

MARCOS BUSINESS SUPPORT--Mayor Ramon Bagatsing says Manila businessmen support the reelection of President Marcos. Bagatsing made the disclosure in a speech today at a special Philippine Lions forum at the Manila Hotel. (Martin Carnacion) has more on that story: [Begin Recording] Bagatsing said at the Philippine Lions forum that businessmen are for reelecting President Marcos in the interests of economic improvement. Mayor Bagatsing declared it is a reality of this election that businessmen who are ordinarily not vocal politically see in the continuance of President Marcos in office their hopes for an early economic take-off. This development, Bagatsing said, bolsters his confidence in Manila going for the Marcos-Tolentino ticket, what with numerous groups backing it up. Bagatsing said the Kilusang Bagong Lipunan [KBL] machinery is operating efficiently, supported by auxiliary groups and members of his huge personal political machine [as heard]. In his capacity as KBL campaign manager in Manila, Bagatsing is supervising the operations of the KBL campaign. [end recording] [Text] [Quezon City Maharlika Broadcasting System in English 0800 GMT 20 Jan 86 HK]

TRIPOLI PLEDGE DELAY QUESTIONED--A former Muslim senator has accused the president of not keeping his side of the bargain with Filipino muslims on the Tripoli Agreement. Mr (Mulinga Tamaino) says he is not happy over the recent order by the president proclaiming one autonomous region, regions 9 and 12. Mr (Tomaino) says this smacks of political color, saying the original 1976 Tripoli Agreement had already provided for the establishment of one autonomous government in Mindanao. Mr (Tomaino) is wondering why it took the chief executive almost 10 years to fully carry out the Tripoli Agreement. [Text] [Manila Radio Veritas in English 2300 GMT 29 Jan 86 HK] /9738

CSO: 4200/641

SINGAPORE

AUSTRIA'S GRATZ DISCUSSES CAMBODIA, BILATERAL ISSUES

BK281502 Singapore THE STRAITS TIMES in English 25 Jan 86 p 15

[Text] The Cambodia issue is a destabilizing factor for the region.

At the same time, the isolation of the Indochinese states has resulted in their being unable to co-operate economically with the other countries in the region.

These points were made by Mr Leopold Gratz, Austria's Foreign Minister and Chairman of the United Nations' International Conference on Kampuchea, when interviewed after his talks with Singapore ministers yesterday.

Mr Gratz, on a three-day visit to Singapore, felt that there was need for the "sovereign and independent nations" of the region to work towards its future.

But there had been too many stumbling blocks to efforts to seek a political settlement. Some of these concern formalities, such as whether the government in Phnom Penh should take part in talks as the acting government or one of the contending parties, he said.

In view of this, the recent ASEAN initiative to get the conflicting parties to the negotiating table becomes very important, Mr Gratz said.

The Austrian minister, who is scheduled to visit Malaysia, Thailand, Indonesia and Vietnam after his Singapore visit, said he would exchange views on the Cambodian matter with the respective governments.

He made it clear that his visit to Hanoi would be in his capacity as Foreign Minister of Austria to discuss issues of mutual interest.

"I don't want to act as a kind of intermediary between the ASEAN states and Vietnam. But I'll inform Hanoi of the views of the Asean government," he added.

Mr Gratz met Foreign Affairs Minister S Dhanabalan and Senior Minister (Prime Minister's Office) S. Rajaratnam separately yesterday.

Mr Dhanabalan told reporters that the talks had been "friendly."

On bilateral relations, the Singapore minister said: "Trade with Austria is still low and can be increased. Since both economies are basically private sector economies, what the governments can do is encourage more trade missions and participation in trade fairs."

As for the Cambodian problem, Mr Dhanabalan said: "We made it clear that ASEAN will continue with its policy of bringing Vietnam to the negotiating table.

"There are proposals on the table," he said. "But they are not new. We can't come up with new initiatives all the time."

In the afternoon, the Austrian minister paid a courtesy call on President Wee Kim Wee at the Istana.

Today, Mr Gratz will meet Mr Alan Choe, Chairman of the Sentosa Development Corporation and a board member of the Singapore Tourist Promotion Board. He will leave for Kuala Lumpur tomorrow morning.

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CSO: 4200/611

GOVERNMENT MAY CURTAIL ROLE IN ECONOMY

HK270954 Hong Kong AFP in English 0924 GMT 27 Jan 86

[Text] Singapore, Jan 27 (AFP) -- The government may curtail its heavy involvement in the economy, once a model of state management but now bogged in a serious recession, to give the private sector a freer hand, a junior minister said today.

Brigadier General Lee Hsien Loong, junior minister for defense, trade and industry and son of Prime Minister Lee Kuan Yew, defended past public sector involvement as "inevitable" in the post-independence period.

But now, he said, his view is: "in principle, in general, the government should stay out."

Brig Gen Lee, the chairman of a top-level economic overview committee, was presenting the first part of the committee's final report, analyzing Singapore's performance since 1980.

The committee, set up in mid-1985, is expected to recommend a series of short-and long-term measures next month to bolster the economy.

Brig Gen Lee told reporters that committee members had encountered "considerable sentiment" in the private sector for reducing the public sector's role in the economy, plagued by negative growth last year and projected zero growth for 1986.

Several subcommittee reports, released individually over the past few weeks, noted complaints that the government was encroaching on private sector territory.

"Macroeconomic policies must be adjusted to restore our cost competitiveness, and to ensure that Singapore firms can compete in world markets, remain profitable and continue to invest and upgrade," the overall report said.

Brig Gen Lee suggested that government-owned enterprises could be privatized "when the time is right and for the right price."

He also raised the possibility of an easing of government restrictions on the use of funds in the country's enforced savings plan, the Central Provident Fund [CPF].

Workers might be allowed to invest their savings in projects of their own choice rather than, as now, being allowed to tap CPF funds ahead of retirement only for the purchase of a home or for approved stocks and securities.

The committee, set up to review Singapore's 10-year economic plan at midpoint, identified high domestic savings levels -- which drain off potential funds for investment -- and heavy dependence on declining external demand for the country's products as keys to the recent difficulties.

In 1984, Singaporeans had the highest rate of savings in the world, accounting for 42 percent of gross domestic product, according to the report.

A large share of the savings went into CPF, under which a worker is required to pay in 25 percent of his salary, and the employer matches his contribution.

The high CPF rate, under attack by employers for some time, looks likely to come down in the near future, however, as part of Singapore's efforts to ease the pressure on hard-pressed enterprises.

The committee noted that increases in total labor costs had outstripped productivity gains by nine percentage points per year since 1982, amounting to a 40 percent increase in unit labor costs over the past six years.

This meant that Singapore's competitive position weakened by 50 percent against Hong Kong, 15 percent against Taiwan and 35 percent against Korea in the six-year period, the report said.

Even where we have maintained our export markets, it has been at the expense of profitability," the report said.

"Our export performance has been uneven. If not for the U.S. market, we would have performed poorly. Not only has trade without neighbors declined, we have also lost our export competitiveness in major markets such as the EC (European Community)," the report said.

Almost all sectors recorded drops recently and the next to be hit hard would probably be the commerce sector, which now employs 25 percent of the work force. "Because of over-capacity, a shakeout in the commerce sector appears inevitable," the report said.

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CSO: 4200/611

SINGAPORE

BRIEFS

PRC's GU MU TO VISIT--Singapore, 4 Feb (AFP)--Chinese State Councillor Gu Mu will visit Singapore next week for discussions on bilateral economic projects, a spokesman for the Trade Development Board said today. The spokesman, however, declined to go into details as programs for Mr Gu's visit were still being worked out. Mr Gu, who is the state councillor in charge of developing economic cooperation between Singapore and China, will arrive here 14 February. The BUSINESS TIMES, quoting an official from the Commercial Representative Office, said Mr Gu might meet government ministers who accompanied Prime Minister Lee Kuan Yew on his trip to China last September. Finance Minister Richard Hu and Trade and Industry Minister Tony Tan were among the delegation. Mr Gu had held talks with both of them while in China. Although bilateral trade between China and Singapore is running into billions of dollars annually, the two countries have yet to establish diplomatic relations. Mr Gu is also expected to meet officials of the Singapore Tourist Promotion Board, Civil Aviation Authority of Singapore and Singapore Airlines, the paper added. /Text/
/Hong Kong AFP in English 0529 GMT 4 Feb 86 HK/ 12228

CSO: 4200/647

PREM'S ADVISOR WIRAPHONG ON POLICY, ECONOMIC FORECAST

Bangkok SIAM RAT SAPDA WICHAN in Thai 5 Jan 86 pp 54, 55

[Interview with Wiraphong Ramangkun, an economic advisor to the prime minister; date and place not specified]

[Text] [Question] Your research on the economic problems has shown many things. How do you feel about this?

[Answer] I don't feel one way or the other. Actually, making economic forecasts is quite common. Other countries have been doing this for a long time. This benefits everyone regardless of whether they are in the public or private sector. This will help them to determine in which direction they should move.

In the past, economic forecasts were made by and for government units. This is the first time that an independent, non-governmental unit has made such a forecast. As has been said, other countries have more than one institution involved in such work. And when they issue a report, the report is criticized just like the one issued by the Research Institute for the Development of Thailand.

I think that this is a good sign. If the research institute had issued its report and no one had said anything, that would have shown that people aren't interested. But people have made criticisms and thought about the forecasts. They have looked at the assumptions that were made and at the methods used to make the predictions. They have looked to see if the right research tools were used. This is a good sign. The research institute is now preparing to hold a short seminar for economists who are interested in learning more about economic forecasting techniques or who want to examine the questionnaires, data, or assumptions. This will be held after the beginning of the new year. People will have a chance to examine the questionnaires. We will invite economists who are interested in these techniques.

[Question] How much confidence do you have in the forecasts made?

[Answer] I think that the forecasts made for the first 2 years, that is, for 1986 and 1987, will prove to be quite accurate. But after that, as you look farther and farther into the future, the forecasts become more uncertain. This

is because the farther we look into the future, the more likely it is that our assumptions are wrong. That is normal. Thus, economic forecasts for the next 5 to 6 years, which are considered to be medium-range forecasts, must be updated every year. Because if the assumptions change, the forecasts have to be revised. For this reason, the forecasts must be reviewed every year.

[Question] You are an economic advisor to the prime minister. Does that mean that the research results have to be used?

[Answer] The Research Institute for the Development of Thailand has published the results of its research to help serve society. Thus, the government, private companies, banks or anyone else is free to use our research data. We don't object to that at all. We feel that this will be beneficial. But abroad, when a research institute makes an economic forecast, they sell their predictions. They do not give them away free. They do not hold free seminars. They sell the data to those who want to use the data.

[Question] Is this an independent institute or is it subordinate to some unit?

[Answer] This is an independent foundation that receives support from the governments of several friendly countries. They provide financial support. But we are not under any obligation to them. We have independence of thought. We are not subordinate to the government. Thus, the data published by the institute are not government predictions.

[Question] Is the prime minister interested?

[Answer] Yes, he is. I have used the data and have spoken to the advisory team about the forecasts. I have frequently talked with the prime minister about the economic situation. The duty of an advisor is to monitor the situation and keep the prime minister informed so that he can keep abreast of the economic situation.

[Question] Has the prime minister been informed of ways to solve the problems?

[Answer] Yes. Various policy lines for solving the problems have been submitted to him. Actually, my report suggested various economic policy lines or directions for solving the problems. But during the conference, time was limited and so I presented only the economic forecasts. I did not have time to discuss the policies for solving the problems. But this was discussed in the report.

[Question] Most of the advisors are members of the research institute. Thus, it is felt that this was an analysis by the advisors to the prime minister. Is that right?

[Answer] That's incorrect. Because there is only Achan Anat (Aphaphirom), who is the president of the institute. He did not do the research. I was the only one on the research team that made a general economic forecast for Thailand.

[Question] During an interview in 1982, you said that there were many economic problems, such as savings, that had to be solved. But it seems that the

problems have just grown worse because we have not taken the proper steps to solve the problems, and in some cases no action has been taken at all.

[Answer] There are two reasons. First, the world economic situation has been bad for a long time now. It has not improved, and I think that this recession will continue. That is one thing.

Second, in solving the economic problems, we must maintain a balance. For example, in solving the balance of trade and financial and monetary problems, we must try to maintain a balance and prevent the burden on the people from becoming too great. We must not let the full burden fall on the people all at once. The problems can be solved. But if we solve the problems this way, this could lead to other problems. Thus, the problems must be solved together. We have to take the middle course in order to achieve several things.

Thus, there are problems concerning financial and monetary stability and concerning the economic recession. We have been exporting rather large quantities of goods because we produce more than we consume. To keep production and prices from dropping, we must have foreign markets for our goods. But when other countries experience a recession, that affects us, too.

[Question] Besides the 'buy Thai' policy, what other policies should be implemented?

[Answer] The primary focus should be on exports. We must step up exports. Anything that poses an obstacle to exports should be gradually eliminated. Or it should be eliminated immediately if that is possible. This includes export taxes and other stipulations that increase export costs such as the stock policy and other measures still in effect.

The United States has now passed a law known as the Farm Bill. The purpose of this bill is to enable them to sell their goods more cheaply abroad. But here, we are worried that our exporters will sell goods at low prices and that they will compete in cutting prices. And so we have imposed various obstacles on exports. This is something that must be looked at because we will not be able to compete against other countries.

Besides this, we must negotiate with them on trade protectionism. We must find a way to lobby the United States and other countries. We must find new markets. Unless exports increase, it will be difficult to revive Thailand's economy.

[Question] Today, people are starting to view the socialist countries as possible new markets. Do you think that this is a real possibility?

[Answer] I don't think that there is much chance of that because those countries are all very poor. They have very little foreign currency because they don't export very much. The possibility exists, but I don't think that people should get their hopes up.

[Question] Besides the fact that the world economic situation is affecting us, do you think that we have the administrative capabilities to solve the problems?

[Answer] I think that our capabilities, as well as our policies, which are not all correct, can be improved. There is much that can be done to improve things. That is my view.

[Question] Which policies need to be revised?

[Answer] Take the rice export policy, for example. Today, there are many obstacles to exporting rice. Or there are the tapioca negotiations. The negotiations should be gaining greater benefits for Thailand. We are a signatory of the General Agreement on Tariffs and Trades. There are also the negotiations on textiles, or clothing, and the export of other goods, including para rubber. We still impose a high export tax. This is why Malaysia can compete against us. If we abolished our export tax, I think that Malaysia would have to stop producing rubber. Our production costs are much lower than theirs. There are many other things that I think could be done.

[Question] Why hasn't the government taken such action? Is it because it fears that this will affect the state's income?

[Answer] That's probably the reason. But as for rice and certain other items, I think it is a matter of understanding.

[Question] As for the rice matter, you once opposed this. Is it possible for us to start all over again if the present policy fails to achieve results?

[Answer] I don't have any further views on this and don't want to discuss it any more.

[Question] But the adverse effects will affect people in general and the government.

[Answer] That is the government's responsibility. I don't want to say anything.

[Question] What do you think about the cabinet issuing a resolution to go ahead with the eastern seaboard development project?

[Answer] I don't want to say anything about that. I expressed opposition to that and pointed out the weaknesses in developing the eastern seaboard.

[Question] Will the morale of the people be adversely affected if this project is cancelled?

[Answer] I don't want to say anything about this. I did my duty at the cabinet meeting.

[Question] Do you usually express opinions at every cabinet meeting?

[Answer] Not every time. At cabinet meetings, it depends on whether the prime minister asks me to speak. But at meetings of the economic cabinet, I have the right to ask to speak since I am a member.

[Question] It's been said that you have resigned your position at Chulalongkorn University.

[Answer] That's incorrect. I took a temporary leave of absence in order to conduct research at the research institute. I am not teaching any classes right now.

[Question] If the private sector offers to help pay the expenses of the research institute in return for access to the data, would that be acceptable?

[Answer] Yes. We want to make our research results available to everyone. Thus, the institute would not object to that. But if they asked for large quantities of data, we would have to charge them for the cost of the paper. Because thick volumes are expensive.

[Question] As an advisor to the prime minister, are you satisfied with what you have done?

[Answer] Yes, I am. During the past 6 years, the prime minister has given me freedom of thought and allowed me to express my views freely. He has never told me what to think or say about any issue. Never. In my capacity as a scholar, he has given me full freedom.

The duty of an advisor is to provide data and suggestions to the decision makers. I have had an opportunity to do that and so I think that I have accomplished my tasks. In making decisions, he has to consider my data in conjunction with other data. But after a decision is made, I don't think that an advisor should voice either support for or opposition to the decision. Because as advisors, we are not responsible. The people responsible must make the decisions. We may or may not agree with a decision. But we should be satisfied with what we have done. This is the principle to which I subscribe. Because of this, I am satisfied with what I have done. I have had a chance to present my views and submit data on almost all the important issues.

[Question] A member of a government party has called you a sissy. He has not named you specifically. But he has referred to an advisor. Does that anger or upset you?

[Answer] No. I respect that person. He is one of the people whom I admire. He is a senior person. I regard criticism and warnings from such a person as a gift and as a sign of good fortune.

[Question] Would you explain in very simple terms what major economic problems confront the government today. Because some people may not understand why Thailand's economy is affected when the world economy turns sour?

[Answer] That is because we have an open economy. As I said earlier, export revenues have a great impact on the incomes of people in general. If exports

and prices are good, people's incomes will be good. When incomes are good, people will be able to purchase goods from the industrial and service sectors. Thus, the economy in general will be good. But if revenues from exports are low and prices are poor, incomes will be low and people will have less purchasing power.

In such cases, we could pump in money. But that would have adverse consequences. The country's monetary situation would deteriorate. There are two ways to inject money. One is to borrow money. That would increase our debt. If we could just keep borrowing and borrowing, that would be a different matter. But if we borrowed huge sums, our creditors would begin losing their confidence in us, and we might have difficulty borrowing more money.

If we do not want to borrow money but want to inject money, another way is simply to print more money. This is like a tax. Because printing money will lead to problems, as has happened in several countries. Thailand experienced such problems during the Second World War. And none of us wants that to happen again.

Thus, there is a conflict. What can be done to solve both problems? Different people have different answers. And its impossible to say who is right and who is wrong.

[Question] If we can't sell our goods, is there any other way out?

[Answer] If we can't sell our goods, we will have to economize. It's the same as for a family that earns little money. If we keep spending like before, we will just go deeper into debt. If we just keep digging into our foreign reserves, someday our reserves will be exhausted. Or if we borrow money to keep spending at the same level as before, we will go deeper and deeper into debt, too. Someday, we will not be able to borrow any more money. It's like a family.

[Question] It seems that the more the government does to solve the problem, the worse things become.

[Answer] It's not all the government's fault. This also stems from outside factors. The world situation has grown worse during the past 4-5 years. If the outside situation had not deteriorated, things would not have become so bad here.

[Question] Some people feel that the results of your research have destroyed morale.

[Answer] People shouldn't give up hope. A growth rate of 3-4 percent is not a bad rate of growth. In the next 3-4 years, no country will be able to sustain a growth rate of more than 3-4 percent. Japan estimates that its growth rate will not exceed 4 percent. Some countries will have a negative growth rate. Others will have a growth rate of only 1 or 2 percent. This includes Singapore and the Philippines. Even South Korea, which we admire, will have a negative

growth rate in the coming years. It has a huge debt burden. As compared with other countries, the situation in Thailand is not that bad. But as compared with our own past performance, things seem to be getting worse.

[Question] There is not much time left in the government's present term. Will this pose a problem in solving the problems?

[Answer] I don't think that the government should take the attitude that "because there is little time left, we don't have to do anything or solve any of the problems. Let's just concentrate on gaining popularity and winning votes." That would be wrong. I agree with the prime minister when he said that if we go into "hiding," this would not have any bad effects during the first 1 to 2 years. But this would create problems for the future that would be very difficult to solve. And the government, which is responsible for things, should not behave that way.

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CSO: 4207/146

EDITORIAL ON LOW VOTER TURNOUT, APATHY FOR REGIME

Bangkok SIAM RAT SAPDA WICHAN in Thai 5 Jan 86 p 2

[Editorial: "A Year of Problems"]

[Excerpt] A point worth noting about past elections is that voter turnout has been unusually low. For example, in the recent by-election held in Bangkok on 26 December, only 19 percent of the eligible voters exercised their right to vote. The winner received less than 50 percent of the votes cast. Or computed based on the number of people eligible to vote in that zone, he recieved only 8 percent of the votes.

This is even more alarming when you consider that the political parties that fielded candidates in this by-election are all members of the government. That is, besides the fact that the election results may not actually reflect the preferences of the majority of the people, this may indicate that the people of Bangkok are tired of the present government because they feel that it cannot solve the problems troubling them. And so they are protesting by not voting.

If this is in fact the case, we feel that the time has come for the government and political parties in the government to find a way to solve the problem as quickly as possible. Because if the people become apathetic about the government, they will not cooperate with the government in solving the various problems. Without the cooperation of the people, no government can solve the problems and administer the country smoothly.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

PRASONG SAYS SRV DRY SEASON OFFENSIVE 'IMMINENT'

BK280107 Bangkok THE NATION in English 28 Jan 86 p 3

[Text] Non-communist Khmer resistance guerrillas who recently infiltrated fresh reinforcements into some inland areas in Kampuchea have put up a better performance in the battlefields in the current dry season, a top national security official told THE NATION.

National Security council (NSC) Secretary General Squadron Leader Prasong Sunsiri said that thousands of young Khmer fighters who have just completed their military trainings were recently sent into the interior of the war-torn country.

The boost in the non-communist force in the interior of Kampuchea came about the same time as the formation of the Joint Military Command (JMC) to direct the activities of the Khmer People's National Liberation Front (KPNLF) and the Army of Nationalist Sihanoukists (ANS).

Dr Gaffar Abdul Peangmeth, deputy chief of the General Staff of the JMC, told THE NATION that on the part of the KPNLF armed force alone, up to 6,992 fighters have gone into the interior of Kampuchea as of 13 January, this year. About 2,000 armed fighters have also completed military training and were ready to start their inland operations.

He said that over the next 3 months, about 2,000 fighters would accomplish their military training each month and altogether by the end of the next 3 months, the KPNLF force will have about 15,000 armed guerrillas working inside.

Prasong said that the non-communist Khmer guerrillas have been active in Oddar Meanchey and in Battambang as well as Seam Reap around Tonle Sap while the Khmer Rouge were operating effectively elsewhere particularly in southern Kampuchea and in the neighborhood of Phnom Penh, the capital of Kampuchea.

Prasong earlier had briefed Timothy Renton, Britain's minister of state for foreign and Commonwealth affairs, on the situation on the Thai-Kampuchean border. Renton arrived in Thailand Friday for a 5-day visit to confer with senior Thai officials, including Foreign Minister Sitthi Sawetsila.

Reton also has visited refugee camps on the Thai-Kampuchean border, where some 240,000 Kampuchean refugees now live after fleeing Vietnamese attacks in the border area last year.

Prasong said the Vietnamese have continued sending small units to the Thai border, and have clashed frequently with Thai soldiers. He said these acts indicated that the Vietnamese are prepared to attack the border.

During a later press conference, Reton reaffirmed Britain's support for ASEAN position toward finding a political solution for the Kampuchean conflict and would continue its assistance to the Indochinese refugees in Thailand.

Answering questions about the relatively low resettlement of Indochinese refugees from Thailand by Britain, Renton said his country had the priority to take the refugees who landed in Hong Kong, which is one of its colonial territories.

He said Britain was interested in having an extradition treaty with Thailand and negotiations are underway.

Renton left Bangkok last night for London.

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CSO: 4212/52

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

ROUNDUP OF VONADK BATTLE REPORTS 24-30 JAN

[Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea [VONADK] in Cambodian broadcasts the following battle reports in the reporting period 24-30 January:

VONADK at 2315 GMT on 24 January reports that DK forces attacked Sithor Kandal District seat in Prey Veng Province on 19 January, a Vietnamese position defending Don Teav factory in Battambang Province on 20 January, a position on Koh Kong battlefield on 21 January, and a Vietnamese battalion position on Leach battlefield on 18 January; dismantled the Vietnamese administration in Sre Ambel District on Koh Kong battlefield on 17 January and in Chhuk District on Kampot battlefield on 19 January; and ambushed Vietnamese trucks on Pailin battlefield on 16 and 18 January and on south Sisophon battlefield on 14 and 18 January. The radio goes on to say that DK forces conducted various guerrilla activities on Pailin, Koh Kong Leu, and Chhep battlefields 14-21 January, killing or wounding 284 Vietnamese soldiers; destroying 84 assorted weapons, an ammunition and weapons depot, two paddy warehouses, six office buildings, a police office, an Army training school, a material warehouse, a warehouse containing cooking utensils, 10 military installations, five barracks, a bicycle warehouse, a cultural office, an agricultural office, a trade office, five trucks, a tractor, five motorcycles, a large rice mill, four typewriters, 10,000 liters of gasoline, 10 cans of diesel fuel, and some war materiel; seized 44 assorted weapons, some ammunition, 1,000 army uniforms, one C-25 field radio, 'amplifier,' pair of binoculars, three maps, and some materiel; liberating three villages on Kampot battlefield; and freeing 40 people.

VONADK at 2315 GMT on 25 January reports that DK forces smashed a Vietnamese platoon and dispersed the Vietnamese commune administration at Moha Leap Commune in Kaoh Sotin District on east Kompong Cham battlefield on 17 January; dismantled the Vietnamese administration at Prey Daeum Thnoeng Commune in Sithor Kandal District on Prey Veng battlefield on 19 January; smashed a Vietnamese battalion position and dispersed the Vietnamese administration at Kanhchriech Commune in Kanhchriech District on Prey Veng battlefield on 21 January and at a commune in Kamchay Mea District on Prey Veng battlefield on 23 January; swept four Vietnamese company positions from

areas along the Stoeng Chas River on the east Battambang battlefield on 21 January; attacked 3 Vietnamese positions on Hill 210 on Koh Kong Leu battlefield on 22 January; and routed a Vietnamese regiment launching operations in Thmar Puok District on north Sisophon battlefield on 14 January, a Vietnamese platoon in an area on north Sisophon battlefield on 13 January, and a Vietnamese battalion at Ta Kong on South Sisophon battlefield on 18 January. The radio goes on to say that DK forces conducted various other activities on south Sisophon, North Sisophon, Kompong Thom, and Kompong Cham battlefields 10-22 January, killing or wounding 283 Vietnamese soldiers; destroying 101 assorted weapons, four commune buildings, 44 houses, one ammunition depot, two C-25 field radios, 80 barracks, and some war materiel; seizing 11 weapons and some ammunition and war materiel; and freeing 3,000 inhabitants forced to work for the Vietnamese and two platoons of Cambodian soldiers and commune guerrillas on the east Battambang battlefield.

According to VONADK at 2315 GMT on 26 January, DK forces attacked four Vietnamese commune administrations in Tuk Meas, Chhuk, and Kampot Districts on Kampot battlefield on 18, 16, and 17 January and at two communes in Toek Phos District on Kompong Chhnang Province on 14 and 16 January; attacked a Vietnamese company unit on Preah Vihear battlefield on 18 January and a Vietnamese platoon unit in Puok District on Siem Reap battlefield on 11 January; ambushed a Vietnamese truck on Samlot battlefield on 16 January and another truck on the same battlefield on 17 January; and conducted various other activities on Siem Ta, northwest Phnom Penh, Samlot, south Sisophon, Kampot, and Kompong Speu battlefields 1-23 January, killing or wounding 238 Vietnamese soldiers; destroying nine guns, two commune office buildings, three trucks, one paddy storehouse, one rice milling machine, 21 military barracks, and some war materiel; seizing six guns and some ammunition and war materiel; and freeing 35 prisoners.

VONADK at 2315 GMT on 27 January reports that as a result of attacks launched on Kompong Chhnang, northwest Phnom Penh, Route 4, Kompong Cham, Siem Reap, Bataambang, Pailin, Kompong Thom, and Leach battlefields 4-24 January, DK forces killed or wounded 115 Vietnamese soldiers; destroyed 560 meters of railroad track, four trucks, one waterpump, three workshops, one barrack, and some war materiel; and seized some weapons, ammunition, and war materiel.

According to VNADK at 2315 GMT on 28 January, DK forces dismantled Vietnamese commune administration at an area northwest of Phnom Penh on 15 January, in Anlung Vil town on Battambang District on 22 January; and conducted various other activities against Vietnamese soldiers on Siem Reap, Moung-Purat, south Sisophon, Kompong Thom, and Kompong Cham battlefields 13-25 January, killing or wounding 161 Vietnamese soldiers; destroying 24 guns, two commune office buildings, one truck, 20 barracks, and some war materiel; and seizing seven guns and some ammunition and war materiel.

According to VONADK at 2315 GMT on 29 January, DK forces dismantled Vietnamese administrations at Damrei Slap Commune in Kompong Svay District and at Preah Damrei Commune in Stoung District on Kompong Thom battlefield on 7 and 10 January and ambushed a Vietnamese company in Kong Pisei District on Kompong Speu battlefield on 22 January, a platoon unit in Chhlong District on Kratie battlefield on 23 January, and at Chamka Kroch Commune in Udong District on northwest Phnom Penh battlefield on 21 January. The radio adds that DK forces conducted various activities on Samlot, Pilin, southwestern region, Kratie, north Battambang, northwest Phnom Penh, south Sisophon, Kompong Thom, Siem Reap, and Koh Kong Leu battlefields 15-26 january, killing or wounding 133 Vietnamese soldiers; destroying one bridge, four barracks, and some war materiel; and seizing some war materiel.

According to VONADK at 2315 GMT on 30 January, DK forces dismantled Vietnamese commune administrations at Chey Commune on Moung battlefield on 24 January and at (Chey) Commune in Kompong Svay District on Kompong Thom battlefield on 25 January and ambushed two Vietnamese platoons moving from Thmar Da on Pailin battlefield on 25 January, two Vietnamese platoons on Sisophon battlefield on 25 January, one platoon on Moung-Pursat battlefield on 18 January, one platoon on Kompong Chhnang battlefield on 21 January, two trucks on Kompong Som battlefield on 24 and 26 January, and two Vietnamese company positions in Kompong Svay District on Kompong Thom battlefield on 24 and 25 January. The radio adds that DK forces conducted various other activities on Moung-Pursat, Kompong Chhnang, Kompong Som, Stung Treng, and north Sisophon battlefields 11-27 January, killing or wounding 131 Vietnamese soldiers; destroying 22 assorted guns, two commune office buildings, three trucks, one C-25 radio, seven barracks, and some war materiel; seizing three guns and some ammunition and war materiel; and freeing 150 inhabitants forced to dig trenches and build positions for the Vietnamese aggressors on Kompong Thom battlefield.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

CONTINUING BATTLE NEAR BORDER--Aranyaprathet--Khmer Rouge resistance forces this morning continued to bombard Vietnamese bases and a supply line 6-10 kilometres from the Thai-Kampuchean border, a field military source said. The source said the attacks were launched last night by troops of the 320th and 450th divisions under Mit Nikon and Mit So Hong against Vietnamese positions at Ban Damnak Chedk and Ban Toek Sap and Route 9/11 which was used by the Vietnamese for delivering weapons and supplies from Ban Nimit to Ban Toek Sap. The battle ground is opposite Ban Khao Din and Ban Saraphi, about 40 kilometres south of Aranyaprathet. The Vietnamese retaliated with 105mm artillery, 82mm mortars and 75mm recoilless rifles. A military source said the fighting had no effects on the Thai border in Prachin Buri but noted that heavy fighting had erupted near the border with Chanthaburi and Trat Provinces. [Text] [Bangkok BANGKOK WORLD in English 27 Jan 86 p 1] /12640

ENVOY TO PAKISTAN--In order to strengthen the bonds of friendship between Democratic Kampuchea and the Islamic Republic of Pakistan, the CGDK proposed the appointment of Ambassador Chan Youran as ambassador extraordinary and plenipotentiary of Democratic Kampuchea to the Islamic Republic of Pakistan with regular residence in Beijing. The Government of the Islamic Republic of Pakistan has agredd to this proposal. (Dated) 26 January 1986 [26 January unattributed "Communique"] [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 27 Jan 86] /12640

VIETNAM SENDS SETTLERS TO KAMPOT--At the beginning of January, the Vietnamese authorities transported 300 Vietnamese nationals for settlement at Kep's salt mines in Kampot District. They drove our people out of that locality and jailed or shot dead anyone who refused to move out. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Jan 86] /12640

FIGHTING IN SIEM REAP--Our station correspondent assigned to the General Headquarters of the Sihanoukist Nationalist Army [SNA] reports that SNA combatants killed 15 Vietnamese soldiers and wounded several others in a recent engagement in Puok District, Siem Reap Province. Our correspondent adds that the clash took place at 0430 when 70 SNA fighters

engaged some 200 Vietnamese soldiers in Don Sva village, Cha Chhuk Commune, Puok District, Siem Reap Province. The fierce fighting, which lasted for 30 minutes, ended with 15 Vietnamese soldiers killed and several others wounded. On the SNA side, one combatant was killed. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 30 Jan 86] /12640

BATTLE SUCCESSES, VIETNAMESE LOSSES--According to a military report, CGDK forces attacked Vietnamese troops in Siem Reap, Oddar Meanchey, and Koh Kong Provinces, killing 11 Vietnamese soldiers and wounding 13 others. On 24 January, 85 Sihanoukist Nationalist Army soldiers conducting an operation in the Chong Kratoel area uncovered and defused 40 Vietnamese mines. On 23 January, a group of Democratic Kampuchean soldiers ambushed eight Vietnamese soldiers 2.5 km northwest of Trapeang Tau, Koh Kong Province, killing two and wounding one. On the previous day, another group of Democratic Kampuchean soldiers intercepted a Vietnamese truck 9 km northwest of Trapeang Rung, Koh Kong Province, killing nine and wounding 12 Vietnamese soldiers and destroying the truck. On 22 January, 30 Heng Samrin soldiers transported eight cartloads of artillery shells, AK ammunition, and rockets out of Kouk Mon and Krasang villages, Samraong District, Oddar Meanchey Province. On 25 January, 30 Vietnamese soldiers from the 4th Division were dispatched on a boat from Trapeany Rung to the (Thla Khlang Nam Khwai) area near the Thai border. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 30 Jan 86] /12640

VIETNAM ARTILLERY MOVEMENTS--According to a military source, on 22 January the 9th Vietnamese infantry division sent two 130mm artillery pieces and two 105mm artillery pieces on four trucks from Siem Reap-Oddar Meanchey Province to Rovieng village, Mongkolborei District, Battambang Province. At the same time, Vietnamese forces deployed several artillery pieces, such as 105mm guns, near the Thai border namely at a point 6 km southeast of Pet Um village, near Nam Yeun, and several 82mm mortars 5 km southeast of the same village of Pet Um. They also deployed rockets 2 km southeast of Pet Um village. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 30 Jan 86] /12640

CSO: 4212/52

HUN SEN RECEIVES HUNGARIAN DELEGATION

BK300758 Phnom Penh Domestic Service in Cambodian 0430 GMT 30 Jan 86

[Text] On the afternoon of 29 January, Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and foreign minister of the PRK, received a delegation from the Health Ministry of the Hungarian People's Republic led by Comrade Imre Hutas, state secretary [title as heard] of the Health Ministry of the Hungarian People's Republic, at the Council of Ministers Office.

Speaking on that occasion, Comrade Hun Sen welcomed the fruitful visit of the delegation which strengthened the bonds of solidarity, friendship, and multifaceted cooperation between the two countries -- Cambodia and Hungary -- including cooperation in the health field. He continued to express his profound thanks to the Hungarian party, government, and people who have assisted the Cambodian people in the materials and spiritual fields in their tasks of defending and constructing their fatherland. Comrade Hun Sen quickly evaluated the results of the talks in the health field between the two countries -- Cambodia and Hungary -- which have led to the further strengthening of the cooperation in the scientific field between the two countries.

In reply, Comrade Imre Hutas highly praised and evaluated the steady development in all fields of the Cambodian revolution in the past 7 years, in particular in the health field. The comrade asserted that he would continue to assist and support firmly the just cause of the Cambodian people's struggle in the defense of national independence, peace, and socialism.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 20-26 JANUARY

[Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments in Cambodia during the reporting period 20-26 January:

Svay Rieng Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 20 January reports that by 28 December, peasants in Svay Rieng District had sold to the state more than 410 metric tons of paddy.

Kompong Cham Province: In a report broadcast on 20 January at 0430 GMT, the radio says that by the end of December, fishermen in the province had caught more than 2,500 metric tons of fish. In another report broadcast at 1300 GMT 20 January, the radio says that by 20 December, peasants in Cheung Prey District had sold more than 84 metric tons of paddy to the state. According to the radio at 0430 GMT on 23 January, in 1985 peasants in Chamka Leu District sold to the state more than 5,430 metric tons of soybeans, more than 800 metric tons of mungbeans, and more than 840 metric tons of sesame. At 1300 GMT on 23 January, the radio reports that by 20 December, peasants in Cheung Prey District had harvested more than 4,000 hectares of rice and planned to grow 4,200 hectares of dry-season rice. In another report broadcast at 0430 GMT on 24 January, the radio says that during the 1985-86 period, the trade office in Prey Chor District plans to buy 2,600 metric tons of rice from local peasants. According to another report broadcast on 24 January at 1300 GMT, the radio says that in 1985 there were more than 36,000 head of oxen and over 4,000 head of buffalo in the district. According to SPK in French at 0415 GMT on 25 January, by mid-January, peasants in Memot District had harvested 9,180 hectares of rice planted last rainy season with an average yield of more than 1 metric tons pe hectare. At the same time, peasants in the district has sold 1,943 metric tons of paddy to the state.

Kandal Province: According to the radio at 1300 GMT on 20 January, this year peasants in Kien Svay district plan to grow dry-season rice on 4,500 hectares of land. The radio report adds that by 10 January, more than 1,600 hectares of dry-season rice had been transplanted and broadcast and more than 600 hectares of subsidiary crops planted. The radio reports continues to say that last season, peasants planted more than 3,100 hectares of rice with

an average yield of 3 metric tons per hectare and that the local agricultural service had distributed more than 500 metric tons of chemicals to peasants. In a report transmitted in English at 1106 GMT on 22 January, SPK says that by early January, peasants in the province had harvested 13,500 hectares of monsoon rice, including 130 hectares of the IR-36 variety, with an average yield of 3 metric tons per hectare. The report also says that 9,400 hectares of dry-season rice of the planned 35,500 hectares have been planted and that 800 hectares of subsidiary and industrial crops have also been planted. SPK in French at 0415 GMT on 25 January reports that by mid-January, peasants in Dangkao District had harvested almost 4,050 hectares of rainy-season rice with an average yield of more than 1 metric ton per hectare. During the dry season, peasants in the district tilled more than 160 hectares of land, sowed 35 hectares of rice, and transplanted another 110 hectares, says the SPK report, which adds that the local agricultural service had provided some chemical fertilizers and 300 liters of fuel to peasants who had planted more than 70 hectares of subsidiary crops. In another report in French transmitted at 1205 GMT on 26 January, SPK says that so far fishermen in the province have caught almost 2,000 metric tons of fish.

Battambang Province: The radio at 1300 GMT on 21 January reports that by early January, peasants in Ratanamondol District had harvested 755 hectares of rice with an average yield of almost 1 metric ton per hectare and that 370 hectares of industrial crops had also been harvested. In another report broadcast at 1300 GMT on 22 January, the radio says that by early January peasants in Battambang District had transplanted almost 300 hectares of dry-season rice. At 1300 GMT on 23 January the radio reports that in 1985 the provincial veterinary service vaccinated 117,000 head of cattle against various diseases. According to SPK in English at 1106 GMT on 22 January, by the end of November, peasants in the chief district of the province had harvested 5,000 hectares of rice with an average yield of more than 1 metric ton per hectare. In a report transmitted in French at 0415 GMT on 25 January, SPK says that during the 3d week of January peasants in Sangke District harvested more than 80 percent of their 20,900 hectares of rice planted last rainy season with an average yield of more than 1 metric ton per hectare.

Kompong Chhnang Province: At 0430 GMT on 22 January the radio reports that by 9 January peasants in the province had harvested more than 35,000 hectares of rice with an average yield of more than 1 metric ton per hectare, sowed more than 700 hectares of all types of rice, broadcast nearly 620 hectares of rice, and planted more than 1,600 hectares of subsidiary crops. The radio at 0430 GMT on 25 January reports that by the end of December, peasants in the province had sold more than 30 metric tons of rice to the state.

Prey Veng Province: According to the radio at 0430 GMT on 23 January, by the end of December, peasants in Sithor Kandal District had transplanted more than 500 hectares of floating rice. In aother report broadcast on

24 January at 0430 GMT the radio says that by the end of December, peasants in Preah Sdach District had sowed 30 hectares of flood receding rice and transplanted 62 hectares of rice. According to a report in French transmitted at 1205 GMT on 26 January, SPK says that by mid-January peasants in the province had harvested more than 131,400 hectares of the 200,000 hectares of rainy season rice with an average yield of 1 metric ton per hectare. The report adds that during the same period more than 2,000 hectares of rice had been sowed and nearly 10,500 hectares taansplanted, 3,660 hectares of subsidiary and industrial crops had also been planted. The local agricultural service had also provided 1,300 metric tons of chemical fertilizers and 4,000 liters of insecticides to peasants, concludes the report.

Kompong Som Municipality: According to SPK in French at 0415 GMT on 25 January, fishermen in this city in 1985 caught more than 1,670 metric tons of fish ard 467 metric tons of other sea products.

Kompong Speu Province: The radio at 0430 GMT on 25 January reports that by mid-January, peasants in Bar Set District had transplanted more than 340 hectares of dry season rice. In another report broadcast at 1300 GMT on 26 January, the radio says that by mid-January peasants in Pou Mreal commune in Bar Set District had harvested more than 1,500 hectares of rice with a yield of more than 7,700 [as heard] metric tons. According to SPK in French at 1205 GMT on 26 January, by mid-January, peasants in the province had harvested more than 80 percent of the 64,600 hectares of rice planted last rainy season with an average yield of more than 1 metric ton per hectare. The report adds that so far more than 1,000 hectares of dry season rice of the planned 1,570 hectares have been transplanted.

Siem Reap-Oddar Meanchey Province: At 0430 GMT on 26 January the radio reports that so far peasants in Siem Reap District have harvested almost 7,200 hectares of various types of rice with a yield almost 3,200 metric tons and that almost 600 hectares of flood receding rice and 110 hectares of subsidiary crops have been planted.

Pursat Province: According to the radio at 0430 GMT on 26 January, fishermen in the province had by mid-January caught almost 400 metric tons fish.

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CSO: 4212/53

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

LOCAL MILITARY SUCCESSES--In 1985, combatants of the 2d Battalion in Kompong Speu Province clashed with the enemy 18 times, killing 18 and wounding six; another four surrendered. They also seized two B-40's, two M-79's, an AK, and some documents and war materiel. [Summary] [Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jan 86 BK] /12640

MISLED PERSONS RETURN--During the last 2 months of 1985, 88 Pol Pot and Sereika soldiers awakened and returned to the fold in various localities in Sisophon District, Battambang Province. The returnees brought with them an assortment of 70 weapons, some grenades, and other war materiel. [Summary] [Phonm Penh Domestic Service in Cambodian 0430 GMT 26 Jan 86 BK] /12640

RETURNEES IN BATTAMBANG--People in Phnum Srok District of Battambang Province persuaded 36 misled persons to turn themselves in to the revolutionary authorities during the fourth quarter of 1985. The returnees brought along 10 assorted weapons, 7 hand grenades, and some war materiel. [Summary] [Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Jan 86 BK] /12640

ACTIVITIES OF MILITIAMEN--In 1985, militiamen in Bakan District of Pursat province killed 34 Pol Pot remnants, wounded 72 others, captured 14, and seized 18 weapons, 65 mines, eight hand grenades, 13 shells, 185 bullets, one field radio, 66 boats, and some war materiel in 29 operations. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Jan 86 BK] /12640

RED CROSS AID--Phnom Penh SPK January 25--The Kampuchea Red Cross has just sent 220 tonnes of rice to flood and drought victims in Kandal and Kompong Chhang Provinces. The relief was from the World Food Programme and the International Committee for Socio-Economic Development (CIDSE). [Text] [Phnom Penh SPK in English 1131 GMT 25 Jan 86 BK] The Cambodian Red Cross recently distributed aid of the international humanitarian organizations composing of 200 metric tons of rice to 4,200 families in Kandal Province who have suffered from natural disasters. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 19 Jan 86 BK] /12640

HUN SEN GREETS INDIAN COUNTERPART--Comrade Hun Sen, member of the KPRP Central Committee political Bureau and minister of foreign affairs of the PRK, has sent a greetings message to His Excellency Bali Ram Bhagat, minister of external affairs of the Republic of India, on the occasion of the 36th Independence Day of India. The message said, among other things: We highly value the important role of the Republic of India, which is carrying on its struggle to defend the interests of the developing countries by firmly adhering to the stand of peace and independence, thus enhancing India's prestige in the international arena. We are convinced that the bond of solidarity and all-round cooperation constitutes an important progressive force in Asia for defeating the perfidious maneuvers of the imperialists and reactionary forces. On this occasion, we would like to once again thank the Republic of India for its unswerving stand in recognizing the PRK and giving timely support and assistance to the Cambodian people in their national reconstruction. May you enjoy good health and brilliant success in your noble mission. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 27 Jan 86] /12640

GREETINGS TO HUN SEN--Comrade Phoun Sipaseut, minister of foreign affairs of the LPDR, has recently sent a message to Comrade Hun Sen, minister of foreign affairs of the PRK, congratulating him on the seventh anniversary of the PRK National Day. The message reads, among other things: For the past 7 years, under the correct and talented leadership of the KPRP, enjoying the cooperation and considerable assistance and support of the SRV, the Soviet Union, and other fraternal socialist countries, the fraternal Cambodian people have won admirable great all-round successes in the cause of national defense and reconstruction, improving the living conditions of the Cambodian people day after day and bringing the PRK's international prestige to new heights. I am firmly confident that the special militant solidarity and all-round cooperation between Laos and Cambodia as well as among Laos, Cambodia, and Vietnam will further develop and blossom. I wish the fraternal Cambodian people more and greater successes in their national defense and reconstruction efforts. May the bonds of fraternal friendship, special militant solidarity, and cooperation between the Lao and Cambodian people last forever. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 27 Jan 86] /12640

HUN SEN THANKS CSSR FOREIGN MINISTER--Recently, Comrade Hun Sen, foreign minister of the PRK, sent a message of thanks to Comrade Bohuslav Chnoupek, foreign minister of the CSSR, who sent congratulations on the seventh anniversary of the PRK's National Day, 7 January. The message stresses that: I have noted with great satisfaction the strengthening of the relations of friendship and multiform cooperation between the PRK and the CSSR for the future benefit of our two nations. I would like to wish you good health and greater success in your noble tasks. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 28 Jan 86] /12640

MALMEIERCA THANKS HUN SEN FOR GREETINGS--Comrade Isidero Malmierca, minister of foreign affairs of the Republic of Cuba, has recently sent

a message to Comrade Hun Sen, minister of foreign affairs of the PRK, thanking him for greetings on the 27th anniversary of Cuba's revolution. The message reads in part: I sincerely thank you for the warm and fraternal message you sent to us on behalf of the Cambodian Government and people on the 27th anniversary of the victory of the Cuban revolution. I take this opportunity to wish you the best of health and happiness. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 28 Jan 86] /12640

LEADERS THANK INDIAN COUNTERPARTS--Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State, sent a message recently to His Excellency Zail Singh, president of the Republic of India, thanking him for his greetings on the occasion of the PRK National Day. The message says: I would like to express my profound thanks to Your Excellency for your greetings on the occasion of the seventh anniversary of the PRK. May the bonds of friendship, solidarity, and cooperation between Cambodia and India strengthen steadily. On this occasion, in the name of the Cambodian government and people and in my own name, I wish that Your Excellency and the entire Indian people enjoy the best of health and happiness. Meanwhile, Comrade Hun Sen, foreign minister of the PRK, also sent a message to thank His Excellency Bali Ram Bhagat, minister of external affairs of the Republic of India. The message stresses: May the bonds of friendship, solidarity, and cooperation between our two countries develop steadily. May Your Excellency and your colleagues enjoy the best of health and score many more successes in their noble duties. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 30 Jan 86] /12640

CSO: 4212/53

MILITARY AFFAIRS AND PUBLIC SECURITY

DEFENSE MINISTRY REVIEWS 1985 EMULATION MOVEMENT

BK28061 Hanoi Domestic Service in Vietnamese 1400 GMT 27 Jan 86

[Text] The SRV National Defense Ministry recently held a conference to review the 1985 emulation movement and discuss orientations and targets for 1986. Colonel General Tran Van Quang, vice minister of national defense opened the conference. Lieutenant General Nguyen Nam Khanh, member of the CPV Central Committee and deputy head of the Political General Department, on behalf of the Ministry of National Defense's emulation council, delivered a report.

The conference noted that the 1985 emulation movement has been carried out satisfactorily both in the front and the rear, and at the main, local, and militia and self-defense forces. The emulation movement has developed evenly in combat activities, productive labor, and economic building. The movement has developed comprehensively in a number of grassroots units, thereby increasing productivity and improving the quality and effectiveness of various tasks. It has contributed to gaining strategic significant victory in Cambodia, changing the battle situation in this country, positively protecting the Lao revolution, foiling the enemy's land-grabbing war in the northern border area and their multifaced war of sabotage. The movement has also contributed to carrying out labor productivity and other economic and national reconstruction programs.

The conference also pointed out shortcomings in the emulation moevment. It urged sectors concerned to overcome difficulties and mapped out emulation targets for 1986. These include the fulfillment of all assigned political tasks, building of forces and consolidating their combat strength, strengthening grassroots units to strictly observe discipline, and improving the material, spiritual, and cultural life of the army satisfactorily.

The conference discussed many concrete and realistic measures aimed at developing the emulation movement comprehensively.

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CSO: 4209/272

MILITARY AFFAIRS AND PUBLIC SECURITY

DEFENSE MINISTRY HOLDS CONFERENCE ON FINANCIAL WORK

BK310718 Hanoi Domestic Service in Vietnamese 1400 GMT 30 Jan 86

[Text] The Ministry of National Defense recently convened the All-Army Financial Conference for 1986. Attending the conference were cadres in charge of financial affairs of the various general departments, military regions, army corps, and armed services and branches of the army. Lieutenant General Bui Phung, member of the party Central Committee and vice minister of national defense presided over the conference.

Reviewing the army's financial work for 1985, Major General Le Khoa, head of the Ministry of National Defense's Financial Affairs Department, pointed out: Under the leadership of the party Central Committee's Military Commission, the Ministry of National Defense, and the guidance of party committees and command echelons at various levels, the army's financial branch has overcome numerous difficulties, satisfactorily developed favorable conditions, and concentrated efforts on fulfilling its tasks in a relatively satisfactory manner--thus meeting the immediate pressing requirements; ensuring the implementation of the party Central Committee's Eighth Plenum resolution on prices, wages, and money; bringing about a turn for the better in financial management; and contributing to the successful fulfillment of the army's two strategic tasks.

On the orientations and tasks related to the army's financial affairs in 1986, the department head Comrade Le Khoa stressed: Based on the resolution of the party Central Committee's Military Commission and the orders issued by the minister of national defense on military tasks for 1986, the army's financial branch must develop to a high degree the spirit of self-reliance and its integrated strength in an attempt to overcome difficulties and rally all financial resources to ensure the fulfillment of all tasks in 1986. While the national economy is still replete with difficulties, the army's financial branch must carry out even more satisfactorily its function as staff for party committees and commanders at all levels; promote production; participate in economic construction; pay utmost attention to productivity, quality, and economic efficiency; develop all the potential of the army to generate rapidly increasing revenue; intensify management and the practice of thrift; and resolutely combat wasteful and corrupt practices so as to help partially balance the army's budget.

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CSO: 4209/276

MILITARY AFFAIRS AND PUBLIC SECURITY

PHAM HUNG ADDRESSES HAIPHONG SECURITY CONFERENCE

BK281430 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Jan 86

[Text] The Haiphong municipal party committee recently held a conference to review the movement to counter the enemy's multifaceted war of sabotage over the past 3 years -- 1983-85. Comrade Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of the interior, attended and addressed the conference.

In the past 3 years, the party and people's committees of Haiphong municipality have closely coordinated with each other in providing leadership and guidance over efforts to promote socioeconomic construction and development as as well as over the movement to safeguard the fatherland's security and social order. All sectors and echelons have closely combined countermeasures against sabotage operations by the enemy with efforts to intensify internal security, protect socialist property, and combat the manifestations of negativism. The municipality has broadened the various branches and trades and developed production to generate employment for many people, create more material wealth for society, and stabilize the people's life -- thus contributing to limiting and eliminating the opportunities for sabotage by the enemy.

All the economic, national defense, and political establishments in Haiphong have been well guarded. The incidence of theft of socialist property and of social vices has dropped. Regular attention has been given to carrying out political and ideological control and education work with regard to party members and the masses. Much progress has been recorded in safeguarding national defense and sovereignty over territorial waters and in countering spies, reactionary elements, and other criminals in society.

In the coming period, Haiphong will step up efforts to make its internal ranks pure, firm, and strong; perfect its various defense and security plans with the aim of smashing all of the enemy's sabotage attempts; and strictly implement its internal regulations and statutes to promote a civilized lifestyle, maintain public order, and combat speculation, smuggling, market disturbances, theft of socialist property, and other social vices.

On behalf of the party Central Committee and the Council of Ministers, Comrade Pham Hung heartily commended the party organization, armed forces, and people of Haiphong for scoring many outstanding achievements in production, managerial renovation, national defense, and security maintenance. Comrade Pham Hung urged the party organization and people of the municipality to make even more satisfactory efforts to build their internal ranks; protect production and business activities; control the market and prices; foil all of the enemy's attempts at political, ideological, and economic sabotage; promote the movement to safeguard the fatherland's security; and improve upon household and population management.

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CSO: 4209/272

MILITARY AFFAIRS AND PUBLIC SECURITY

VPA DAILY ON STAFF CHIEF'S OFFICERS SCHOOL VISIT

BK290634 Hanoi QUAN DOI NHAN DAN in Vietnamese 13 Jan 86 pp 1, 4

[Text] Senior General Le Trong Tan, member of the party Central Committee, vice minister of national defense, and chief of the General Staff, recently visited the Political-Military Officers School on the occasion of the school's 10th anniversary. Accompanying the senior general were Major General Le Dinh So, chief of the Political Cadres Department; Major General Le Hung, chief of the Combat Training Department; Major General Duong Han, chief of the Schools Department, and some cadres of the general staff agencies.

Lieutenant General Truong Cong Can, the school director, members of the director's board, and cadres of various offices, branches of study, sections, and battalions enthusiastically welcomed Senior General Le Trong Tan.

The senior general cordially talked with the cadres, teachers, and workers in the school. He noted with pleasure the progress made by the Political-Military Officers School over the past 10 years in training for our army a contingent of political cadres worthy of being the party's representatives in primary units. He praised the school's great efforts to overcome difficulties, thoroughly implement the party's revolutionary and military lines in training, seriously carry out and creatively apply the party's resolution on education reforms in accordance with the school's specific conditions, and become increasingly familiar with modern education science. The school has promptly defined and quickly perfected the guidelines and objectives of training political cadres for the army's primary units and has gradually succeeded in combining instruction with exercise, school training with self-training by students, theory with practice, and school with units and battlefield. He urged the school to always firmly grasp the situation and the army's tasks and on this basis, to make timely addenda to the educational contents and forms, especially the education of political cadres to perfect their quality and ability. Among the educational contents, it is necessary to emphasize the themes of clearly identifying the enemy and of profoundly hating the enemy and, then, on this basis to educate cadres on the love of the people, their comrades and unit mates. These should be considered the primary issues and one of the vital motive forces that the performance ability of the political cadres and the unified strength of units. The senior general further gave the school some directives on the task of fostering and training a contingent of comprehensively qualified teachers to satisfactorily meet the requirements of the school.

After his address, Senior General Le Trong Tan visited various rooms of the Party and Political Work Department, the Marksmanship Department, and the General Military Affairs Department. He also visited the Ho Chi Minh room of the 5th Battalion. He solicitously chatted with and inquired about students in the school.

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CSO: 4209/275

MILITARY AFFAIRS AND PUBLIC SECURITY

POLITICO-MILITARY OFFICERS' SCHOOL SUCCESSES CITED

BK291259 Hanoi QUAN DOI NHAN DAN in Vietnamese 14 Jan 86 p 2

[Article by Major General Van Cuong: "Constantly Enhance Quality and Efficiency in the Training of Political Cadres"]

[Excerpt] After the great victory of the anti-U.S. war of resistance for national salvation, the Politico-Military Officers' School was set up on 14 January 1976 to meet the new requirements of the revolution and the army.

The school was initially entrusted by the ministry with the task of training political cadres at the company level during the first 2 years (1976-78); but after being recognized by the party Central Committee Secretariat as a formal party school of the army and part of the Marxist-Leninist college network, its tasks have consisted of training political cadres at the company level; providing refresher training for political instructors of party schools, noncommissioned officers' schools, and mid-level technical schools of the army; compiling party work and political work education curricula for elementary schools; and performing internationalist duty. In particular, following the invasion of our country's northern border region by Chinese expansionism and hegemonism, the school's tasks have been further expanded.

Carrying out its tasks over the past 10 years in light of the resolutions of the Fourth and Fifth Party Congresses and other resolutions of the party Central Committee and the Political Bureau; under the close leadership of the party Central Committee's Military Commission and the direct guidance of the Ministry of National Defense and the Political General Department; with the wholehearted assistance of research and training organs of the party, the state, and the army; with the enthusiastic support of other schools within and outside the army and the support of the local party organization, administration, and people; and by its own extraordinary efforts, the school has outstandingly fulfilled all the tasks, both regular and irregular, entrusted by the higher echelons, and has rapidly reached maturity.

The school has organized a total of 51 courses and classes, including 14 long-term training courses, 17 short-term and supplementary training courses, 9 refresher training courses for instructors, 2 cultural and security training courses, 4 international courses, 1 preparatory class for the Political Institute, and 3 courses for reserve officers; and supplied the army with more than

5,000 political cadres and over 1,000 political instructors. The absolute majority of graduates from the school have met the requirements of their tasks and won favorable ratings from their unit commanders. Many of them have been promoted to higher positions after a few years of duty.

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CSO: 4209/275

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

WFDY DELEGATION ARRIVES--Hanoi VNA Feb 1--A delegation of the World Federation of Democratic Youth [WFDY] led by Vilmos Cserveny, general secretary of the federation and secretary of the Hungarian Communist Youth Union, arrived here this morning for an official visit to Vietnam. The delegation, guest of the executive committee of the Ho Chi Minh Communist Youth Union (HCM CYU) includes Binoy Viswan, vice president of the delegation and vice president of the All-India Youth Federation, V.I. Kamisanov, vice president of the federation and representative of the Leninist Young Communists League of the Soviet Union. In the afternoon, the delegation called on the secretariat of the HCM CYU executive committee. The guests were warmly welcomed by Vu Mao, first secretary of the HCM CYU, who briefed them on the Vietnamese youth movement. [Text] [Hanoi VNA in English 0750 GMT 2 Feb 86 OW]/12766

MPR ECONOMIC DELEGATION ENDS VISIT--Hanoi VNA Feb 1--A Mongolian Government economic delegation led by Myatabyn Peljee, member of the Central Committee of the Mongolian People's Revolutionary Party, vice chairman of the Council of Ministers and chairman of the Mongolian section of the Mongolia-Vietnam Intergovernmental Commission for Economic, Scientific and Technological Cooperation, yesterday concluded a week-long visit to Vietnam. The guests were seen off by Vu Dinh Lieu, member of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers and chairman of the Vietnamese section of the commission; Mongolian ambassador to Vietnam Gelegiyn Adiyaa, and others. While here, the delegation attended the fifth session of the said commission, paid tribute at the Ho Chi Minh mausoleum, visited the late president's home and office and toured a number of cultural and economic establishments in Hanoi, Ho Chi Minh City, Cuu Long Province and Vung Tau-con Dao special sector. [Text] [Hanoi VNA in English 0748 GMT 2 Feb 86 OW]/12766

AGREEMENT WITH GDR SIGNED--Hanoi VNA January 31--A trade agreement on goods exchange and payments for the 1986-90 period between Vietnam and the German Democratic Republic was signed in Berlin on January 30 by Foreign Trade Minister Le Khac and his GDR counterpart, Horst Scelle. Earlier, Le Khac, who is leading a Vietnamese trade delegation on a visit to the GDR was received by Willi Stoph, Political Bureau member of the Socialist Unity Party of Germany (SED) Central Committee and chairman of the Council of Ministers, who voiced the GDR's full support for Vietnam's efforts to make Southeast Asia a region of peace and stability. The two sides noted with great satisfaction the constant development of the bilateral all-round cooperation firmly based on the agreement between Vietnam and GDR signed by CPV General Secretary Le Duan and SED General Secretary Erich Honecker. [Text] [Hanoi VNA in English 0703 GMT 31 Jan 86 OW]/12766

FRIENDSHIP ASSOCIATION SET UP--Hanoi VNA Jan 31--The Vietnam-Algeria Friendship Association was set up here yesterday with Nguyen Dinh Tu, member of the Central Committee of the Communist Party of Vietnam and minister of secondary vocational and higher education, as president. Present at the inaugural ceremony were Prof Hoang Minh Giam, president of the Vietnam Committee for Solidarity and Friendship With Other Peoples, and representatives of other mass organizations and public offices. The Algerian ambassador to Vietnam, Seferdjeli Aissa, and Mrs Seferdjeli were also present. Speaking at the event, Minister Nguyen Dinh Tu and Ambassador Seferdjeli Aissa among other things expressed wishes for further development of the Vietnam-Algeria friendship and cooperation in the interests of the two peoples and for world peace and security. [Text] [Hanoi VNA in English 0706 GMT 31 Jan 86 OW]/12766

GREETINGS TO IRISH PARTY CONGRESS--Hanoi VNA Jan 31--The Central Committee of the Communist Party of Vietnam has extended its warmest greetings to the 19th Congress of the Communist Party of Ireland. The CPV Central Committee said in its message: Though working in a very difficult and complicated situation, your party has, over the past years, made positive contributions to mobilizing the working class, the democratic, patriotic and progressive forces of Ireland in the struggle against the capitalist monopoly, the imperialist domination from the north and the reactionary policies pursued by various governments in the south, for the peoples right to live, democracy, social progress and for an independent, neutral and united Ireland. We are convinced that your congress this time will accelerate your revolutionary struggle and that you will gain still greater victories, thus contributing to the world people's struggle for peace, national independence, democracy and socialism. We avail ourselves of this opportunity to express our sincere gratitude to the party, working class and other progressive forces of Ireland for their solidarity and valuable support for our past anti-U.S. struggle for national salvation and present national construction and defence. May your congress be crowned with success. [Text] [Hanoi VNA in English 1456 GMT 31 Jan 86 BK]/12766

POLISH WOMEN'S DELEGATION--Hanoi VNA Jan 31--A delegation of Polish women led by Stanislawa Papiela, president of the Cooperation Committee of the Polish Women's Organizations, has paid a visit to Vietnam at the invitation of the Vietnam Women's Union Central Committee. The delegation toured many establishments in Hanoi, Ho Chi Minh City and Ha Nam Ninh Province. In the latter province, it visited Hai Xuan Village, where 77.6 percent of the population are Catholics. The Polish delegation was warmly received by Le Quang Dao, secretary of the Communist Party of Vietnam Central Committee; and Mrs Nguyen Thi Dinh, member of the CPV Central Committee and president of the Vietnam Women's Union. [Text] [Hanoi VNA in English 0714 GMT 31 Jan 86 OW]/12766

EMERGENCY AID FROM INDONESIA--Hanoi VNA Jan 29--An amount of medicine and clothes was delivered here today to the Vietnam Committee for the Reception of Foreign Aid as emergency aid from the Indonesian Government and people to the storm victims in Binh Tri Thien Province. Present at the ceremony were Mrs Do Thi Tai, head of the recipient committee and a representative of the Foreign Ministry. Johannes Petrus Louhana Pessy, Indonesian ambassador, and many members of the embassy staff were present. On behalf of the people of Binh Tri Thien Province, Do Thi Tai sincerely thanked the people and government of Indonesia for their profound sympathy with the population of the stricken areas. [Text] [Hanoi VNA in English 0812 GMT 30 Jan 86 OW]/12766

CPV GROUP ARRIVES IN HAVANA--Hanoi VNA 2 Feb--A delegation of the Communist Party of Vietnam led by Nguyen Van Linh, Political Bureau member of the CPV Central Committee, arrived in Havana on 1 February for the Third National Congress of the Communist Party of Cuba (CPC). It was welcomed at the Jose Marti International Airport by Juan Almeida Bosque, Political Bureau member of the CPC CC; Miguel Cano Blance, alternate member of the Political Bureau of the CPC CC; and others. Vietnamese Ambassador to Cuba Hoang Luong and the Lao and Kampuchean ambassadors to Cuba were also present at the airport. /Text/ /Hanoi VNA in English 0758 GMT 3 Feb 86 OW/ 12228

AUSTRALIAN RECEPTION--Hanoi VNA 27 Jan--Australian Ambassador to Vietnam Ian Stanley Lincoln gave a reception here today on the occasion of the 198th Australia Day (Jan 26). Present on the occasion were Nguyen Dinh Tu, minister of higher and secondary vocational education; Nguyen Van Hieu, minister of culture; Dang Hoi Xuan, minister of public health; Pham Hien, minister of justice; Hoang Bich Son, vice foreign minister; and others. Members of the diplomatic corps were also on hand. Ambassador Ian Stanley Lincoln, Minister Nguyen Dinh Tu and others raised toasts to the Australia anniversary and to the constant consolidation and development of the friendship and cooperation between Australia and Vietnam. [Text] [Hanoi VNA in English 1552 GMT 27 Jan 86 OW]

CUBA'S JOSE MARTI BIRTHDAY--Hanoi VNA 28 Jan--A meeting was held here yesterday by the Jose Marti College of Agriculture to honour the 138th birthday of the Cuban national hero, Jose Marti, who was also a noted Latin American revolutionary leader and poet in the 19th century. It was attended by Ly Van Sau, vice president of the Vietnam-Cuba Friendship Association, the Charge d'Affaires A.I., Maria Micaela Remirez, and other members of the Cuban Embassy in Hanoi, and others. Speaking on this occasion, Deputy Director of the College Nguyen Van Kinh brought out the important significance of the Cuban people's anniversary; and Charge d'Affaires A.D. Maria Micaela Remirez underlined Jose Marti's life and work. [Text] [Hanoi VNA in English 1521 GMT 28 Jan 86 BK]

SRV AMITY GROUPS SUPPORT LIBYA--Hanoi VNA 3 Feb--Friendship organizations of Vietnam have strongly supported the just struggle of the Libyan people against all military acts of provocation and threats of aggression by the U.S. imperialists and Israel. The Vietnam Committee for Solidarity and Friendship with other peoples, the Vietnam AAPSO Committee, the Vietnam Peace Committee and the Vietnam-Libya Friendship Association, in a joint message to the Libyan Arab Committee for Peace and Solidarity reaffirmed that the Vietnamese people will always side with the Libyan people in their struggle for independence and freedom. /Text/ /Hanoi VNA in English 0705 GMT 3 Feb 86 OW/ 12228

CSO: 4200/649

PARTY ACTIVITIES AND GOVERNMENT

HANOI RADIO TRIBUTE TO CPV FOUNDING ANNIVERSARY

OW040210 Hanoi International Service in Mandarin 1130 GMT 3 Feb 86

/Radioscript: "The Party and Spring"/

/Excerpts/ The Communist Party of Vietnam declared its establishment one spring 56 years ago. This coincidence is of great significance. Under CPV leadership, the Vietnamese people have a spring time, and have entered a period of the most brilliant development in their 4,000-year history.

Some say it was a 20th century miracle that Vietnam has successively defeated the powerful French colonialists, Japanese fascists and U.S. imperialists, and has initially defeated the Chinese hegemonists' nibbling war against its northern territory. It is the CPV who organized and led the Vietnamese people to realize this miracle. Today, amid numerous difficulties and a complex situation, the CPV is leading the Vietnamese working class and people in building socialism and defending their fatherland.

The series of important resolutions the CPV put forward in 1985 aim at rejuvenating economic management, stimulating the initiatives of all basic-level and county-level units, and improving the living conditions of workers, cadres, and the people. Bureaucratic centralism cannot be abolished overnight because it has been rooted deeply in various economic departments and people's minds for decades. It will be a long-term and arduous process, requiring a series of appropriate and comprehensive measures.

We have achieved some successes in our work, but we too have shortcomings and have made some mistakes. However, as Vietnamese people often say: Making mistakes is nothing to be afraid of, but not admitting and correcting them is. After making serious self-criticism, the CPV has now put forward measures to correct those mistakes. We people have full confidence in the party's leadership.

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CSO: 4205/9

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

CONFERENCE ON INTERNATIONAL SITUATION--In support of the program to step up propaganda activities dealing with international issues during the International Year of Peace, on 25 January 1986 the party Central Committee's Propaganda and Training Department held a conference of lectures on the international situation since the Soviet-U.S. summit in Geneva and especially on the integrated program aimed at step-by-step advances toward the total elimination of nuclear weapons between now and the end of this century as proposed by Comrade Gorbachev, general secretary of the CPSU Central Committee, on 15 January 1986. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 27 Jan 86 BK]/12766

CSO: 4209/275

ECONOMIC PLANNING, TRADE, AND FINANCE

VAN TIEN DUNG ATTENDS ARMY ECONOMIC CONFERENCE

BK271019 Hanoi Domestic Service in Vietnamese 2330 GMT 26 Jan 86

[From review of last week's activities of various military units]

[Excerpt] The Ministry of National Defense held an all-Army conference on production and economic construction 20-24 January 1986.

Attending the conference were command cadres of various military regions and Army corps and of various organs belonging to the ministry. Senior General Van Tien Dung attended and addressed the conference.

Major General Tran Tam, vice minister of national defense, read a report on economic construction activities in 1985 and on tasks and plan norms for 1986.

The conference heard many copious efforts on economic construction methods applied by various units to ensure high combat readiness while boosting production to meet part of their budgetary requirements and by those enterprises and units concentrating on economic construction work that have attained high output, quality, and efficiency.

The conference noted that over the years, soldiers have participated in building many new economic zones in the central highlands, the eastern Nam Bo begion, the Mekong River Delta, and the coastal area and have succeeded in reclaiming tens of thousands of hectares of arable land, providing employment for tens of thousands of laborers, and thereby creating new socioeconomic areas. Linking themselves with national defense, they have developed their role as a shock force by participating in the building of various strategic roads and key industrial projects, ensured good combat readiness in conjunction with efforts to step up production, stabilized and further improved the welfare of their units, and participated in the development of the local economy.

National defense enterprises have turned out many necessary products for the Armed Forces and have participated in the production of economic goods [hangf kinh trees] and export-oriented goods. Many of their products have attained high quality standards and have been highly valued.

The conference asserted that our Armed Forces' capacities in production and economic construction are very great. It also enthusiastically discussed the guidelines and objectives of the Armed Forces' economic tasks for the next 5 years.

Senior General Van Tien Dung pointed out: Our Armed Forces must develop to the fullest their potential in labor, science, and technology and their existing production facilities if they are to attain increasingly higher production and construction volumes with higher output, quality, and efficiency to meet part of their subsistence requirements and to ensure the Armed Forces' technical demands, thus contributing effectively to the cause of carrying out national industrialization and increasing the strength of national defense.

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CSO: 4209/272

ECONOMIC PLANNING, TRADE, AND FINANCE

REORGANIZATION OF PRODUCTION IN HOANG LIEN SON

OW270837 Hanoi VNA in English 0700 GMT 27 Jan 86

[Text] Hanoi VNA 27 Jan--The reorganization of production to make better use of the agricultural, forestry and industrial resources has been the prime concern of the party and administration officials of Van Chan district in the mountainous border province of Hoang Lien Son.

A conference was recently convened to sum up the initial experiences of Van Chan. The conference has come to the following conclusions:

Firstly, production re-organization must be associated with the re-distribution of the population which, in the case of a mountain district, includes the settlement of the people coming from the plains to build "new economic zones" and the resettlement of nomadic mountain tribes.

The biggest handicap of Van Chan in economic development remains the shortage of food and of the working force. To reorganize production on the district scale Van Chan has brought the size of the cooperatives to an appropriate and manageable level.

At the same time, it received 7,000 people from the delta provinces and helped 10,000 people of the nomadic ethnic tribes like the h'mong, kh'mu and zao to settle and form their own cooperatives. The 208 former small agricultural cooperatives were made into 82 co-ops seven of which embrace each a whole village. The orientation for the highland cooperatives is to combine agriculture and forestry, with the planting of high-quality tea, afforestation and cattle-breeding as main occupations. The newcomers from the plains are mostly settled in tea-growing areas.

The experiences of the delta in intensive rice farming have been widely applied which is instrumental in the quick increase of crop productivity. Food output in 1983 totalled 33,675 tons, up by 13,525 tons over 1975. Rice productivity on double-crop fields rose from 3.8 tons to 5.3 tons per hectare. Food production per head of population increased from 234 kg to 291 kg food output increase averaged 1,000 tons since 1975. Besides, tea, tung, rush and other industrial crops such as cotton, soybean and sugar have been developed to supply an increasing quantity of raw material for the district industry. An area has also been marked off to plant trees to supply material for the local paper mill.

Secondly, it is necessary to closely combine the central, provincial and district economies, and to closely combine the state, cooperative and family economies.

The state sector of the economy must hold the predominant role. The state-run farms in Van Chan, though accounting for only one-third of the tea acreage, are equipped with better technical means and are better managed than the co-ops. The cooperative and family economies. Therefore, act as effective complements to the state-run farms.

Industry is divided into four main branches: the processing of agricultural and forest products, farm tool repairs, building materials and consumer goods. 14 small hydro-electric power stations have been built.

The district is entrusted with overall management of 17 state-run enterprises including four factories, two farms, an agro-forestry farm, a construction enterprise, and a tractor station.

/12929
CSO: 4200/608

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

SOCIOECONOMIC SEMINAR--The party committee of Thai Binh Province recently held its first socioeconomic seminar to hear more than 30 scientific papers on socioeconomic development in Thai Binh for 1986-90 and until the year 2000, including 11 papers on district building and 22 on economic and cultural subjects. The seminar discussed a general plan for the distribution of labor, land, and the various branches and trades on a province-wide basis; ways to use agricultural land effectively; and necessary measures for overcoming weaknesses and shortcomings in economic management and developing new work methods for every branch and trade. On agriculture in particular, many papers proved a rational formula for land and crop arrangement with the aim of intensively cultivating two rice crops a year to achieve a per-hectare yield of 8-10 metric tons province-wide or even a higher yield in some districts and cooperatives. Other papers analyzed conditions for improving activities to support agriculture by the various branches. Besides rice, Thai Binh will concentrate on developing short-term industrial crops such as jute, peanuts, rush, soybeans, and subsidiary food crops. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 27 Jan 86] /12640

HAIPHONG PRICE MAINTENANCE--The Haiphong municipal party committee is determined to maintain firmly the 1-price system in accordance with the market price system now being applied throughout the country. The municipality has decided to use its budget to provide its workers, civil servants, and military personnel with price subsidies in addition to wages beginning January 1986. To stabilize the market price, the municipality is concentrating on promoting increased production while intensifying its price control activities in its determination to punish speculators, price manipulators, smugglers, and commodity counterfeiters. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 26 Jan 86 BK]/12766

CSO: 4209/275

AGRICULTURE

SURVEY REPORTS ON WASTE LAND, RECLAMATION

OW310759 Hanoi VNA in English 0718 GMT 31 Jan 86

[Text] Hanoi VNA Jan 31--According to a recent survey, Vietnam has 11.67 million hectares of waste land, of which 8 million hectares present serious ecological imbalance and exploitation needs [word indistinct] investments and thorough planning. The remaining 4.3 million or so hectares still preserve a surface layer of 100 centimeters that can be grown with industrial and agricultural plants.

The largest potentials lie in the northern mountains, the midlands, the central highlands, the central coast and the northern part of central Vietnam.

On the basis of surveys of the natural and social conditions, the waste land can be exploited in the following manner; 515,000 hectares for wet rice, 1.55 million hectares for subsidiary food crops and short-cycle industrial plants and 605,000 hectares for pasture.

Under the coming 5-year plan, more than 4 million hectares of wasted land will be reclaimed according to the following guidelines:

--Waste land does not comprise forest land.

--Reclamation must ensure the combination of agriculture with forestry. Practice has shown that to plant forest trees in traditional forest lands such as the pine forests in the central highlands has brought high economic efficiency. Where agricultural plants are unsuitable such as the aluminous and saline soils of the Mekong River Delta; cajeput and mangrove can prosper well and bring big profits within a few years.

Reclamation must be carried out according to an overall plan that would take into account the building of roads, water conservancy and other public utility projects.

The resettlement of populations in new economic zones for land reclamation can be done in different forms but preferably within the same province in order to reduce costs.

/12766
CSO: 4200/634

AGRICULTURE

BRIEFS

LONG AN RECORDS FOOD OUTPUT--Hanoi VNA 3 Feb--The Mekong Province of Long An last year produced 600,000 tons of food, including 11,000 tons of subsidiary food crops, 20 percent up over 1984. This was the highest output in the 10 years since the liberation of South Vietnam in 1975. This success resulted from practice of intensive farming and crop multiplication and the expansion of areas under high-yield rice and subsidiary food crops. It was also due to the operation of newly built irrigation works which watered another 32,000 hectares of drought-prone ricefield. Progress was made in following cropping calendar and in large-scale cultivation of high-yield rice strains. The province invested millions of Vietnam dong in expanding its high-yield rice hectarage to 40,000 hectares, double that of 1984. The above measures helped increase the province's yearly per hectare rice yield by 0.4 tons compared with 1984. Its rice output in the summer-autumn crop--the province's extra crop in the rainy season--increased by 34,000 tons over 1984. As a result, Long An's food share per capita last year reached 600 kilos of paddy, almost double the national average. /Text/ /Hanoi VNA in English 0701 GMT 3 Feb 86 OW/ 12228

LONG AN GRAIN--In 1985, An Province produced more than 600,000 metric tons of grain, of which 11,000 metric tons were subsidiary food crop or 20 percent more than in 1984. The province's per capita of rice is almost 600 kg. Due to the prolonged drought last year, more than 32,000 hectares of summer-fall rice were destroyed. The province is striving to overcome shortcomings and difficulties to plant an additional 21,000 hectares of summer-fall rice this year. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 31 Jan 86 BK]/12766

EXPANSION OF IRRIGATION NETWORK--Hanoi VNA Jan 31--Over the past 5 years, water conservation projects in Vietnam have supplied enough water for 4.6 million hectares of arable land, including 4.3 ha of rice fields and 300,000 ha under industrial and subsidiary food crops. This was reported at a meeting held recently in Ho Chi Minh City by the Ministry of Water Conservancy to review its work over the past 5 years and set the tasks for 1986 and the next 5 years. Dozens of big water control systems built in the said period have irrigated some 370,000 ha, drained 133,000 ha of water-logging fields and protected (?100,000) others from salinity infiltration. In the next 5 years (1986-1990), the acreage to be irrigated is expected to reach from 5.2 to 5.3 million ha of rice fields and from 500,000 to 700,000 ha of industrial and subsidiary food crops. [Text] [Hanoi VNA in English 1452 GMT 31 Jan 86 BK]/12766

CSO: 4200/637

HEAVY INDUSTRY AND CONSTRUCTION

SOUTHERN PROVINCES STUDY PEAT EXPLOITATION, USE

Hanoi TAP CHI HOAT DONG KHOA HOC in Vietnamese Nov 85 pp 20-24

[Article by Tran Anh Vinh: "Situation and Mission of Exploiting, Processing and Using Peat in Southern Provinces"; edited by Nguyen Duc Tri; first paragraph is TAP CHI HOAT DONG KHOA HOC introduction]

[Text] Peat may be used as a fuel for industrial furnaces and domestic use and as a raw material for producing a number of biologically active chemical compounds and to make fertilizer. The process of surveying, exploiting, processing and using peat in our country has produced initial realistic results, many unresolved problems and much experience. The future course of investment in exploitation, technical research exploitation, processing and use, economic association between sectors and localities, and strengthening state management has been specifically set forth.

I. Exploitation and Use of Local Coal, Peat in Our Country in the Past

1. General Situation and Characteristics

Coal in our country is exploited in a concentrated manner and primarily in the Quang Ninh coal region. Immediately after our country was invaded at the end of the last century, the French colonialists organized the exploitation of coal at many locations and plundered almost all the coal beds and veins with a low earth stripping coefficient. Nearly 3 million tons were mined during the year of highest output. Their colonialist style of exploitation left us with extremely serious consequences.

We liberated the mine area after 1955 and organized exploitation with simultaneous restoration and reformation of the old mines and construction of new mines, and coal output by 1964 rose to more than 4 million tons.

Parallel with exploitation, our state conducted a total exploration and survey of the Quang Ninh coal field geological situation and formulated a long-term exploitation plan. According to the survey results, the Quang Ninh coal field has reserves of about 2.3 billion tons (calculated from minus 400 meters up).

However, due to the geological structure characteristics of the coal field, although exploition during the initial period is advantageous, it becomes increasingly more difficult the later it gets. At the present time, the output from strip mines accounts for nearly 80 percent but strip mine reserves account

for only 6.6 percent of the entire mine area. Quarry reserves amount to 15.4 percent and the remaining 77 percent of the total coal reserve can only be exploited by shaft mining. These conditions are extremely difficult in relation to the economic and technical standards of our country at the present time.

Besides the Quang Ninh coal field, central coal is also exploited in Bac Thai, Lang Son, Nghe Tinh and Quang Nam-Da Nang but the annual output of these mines is only a little more than 300,000 tons.

Coal exploitation has been extremely difficult but the shipment of coal to consumption locations, especially distant localities, is extremely expensive and usually does not meet the norms set forth. Some locations must spend up to 1,200 dong per ton for shipment from the exploitation location to the place of consumption. Transportation charges for coal shipped from Quang Ninh to Ho Chi Minh City and neighboring provinces amount to more than 400 dong per ton.

In our country, there are many small coal deposits scattered in many provinces from north to south, including a number where the conditions, although insufficient for exploitation on a large scale, are favorable for exploitation with small output, little investment capital and rapid production.

The resolution of the Fifth National Party Congress clearly stated the need to "wholeheartedly exploit local anthracite mines, fat coal mines and peat." In March 1982, the Chairman of the Council of Ministers issued Directive 55-CT on promoting the exploitation of local coal. Thanks to the efforts of many provinces and with the assistance of ministries and sectors at the central level, expecially after the local coal conference in November 1982, the exploitation of local coal has made much outstanding progress and is entering a condition of stable development. Our country presently has more than 30 points and mines exploiting local coal.

The coal of the various provinces is rich and varied in type: fat coal in Lai Chau and Ha Son Binh; long-burning coal in Son La and Hoang Lien Son; lean coal in Bac Thai and Ha Bac; and peat in Hanoi, Vinh Phu, Long An, Hau Giang, Minh Hai, Kien Giang, Tay Ninh, Song Be, Dong Nai and many other provinces in Trung Bo and Nam Bo. Peat in our country has a relatively great potential but not much exploitation has been conducted, primarily because its position in the economy of our country at the present time has not yet been defined.

2. Role of Peat Concerning the Economy

The course of peat use is concentrated in the following aspects:

a. To make fuel for industrial furnaces and domestic use with some locations converting it to gas in vaporized coal gas furnaces used to bake bricks and for domestic fuel uses such as heating and cooking. In the Soviet Union, up to 72 percent of the peat is used in a fuel objective.

b. Used as a raw material to produce a number of chemical compounds with biological properties such as humate salt, humic acid, vitamins, antibiotics, etc. aimed at stimulating the growth process of domestic animals and crops.

c. Moreover, peat can be used to make fertilizer.

Our country since the sixties has had a number of projects studying the use of peat in Ninh Binh, Vinh Phu and Thanh Hoa. In Ninh Binh, 50 percent of the coal dust used for baking bricks has been replaced with peat with good results. In Vinh Phu and Thanh Hoa, research has been conducted in the use of peat to make fertilizer and as fuel for domestic use and brick and tile baking.

Beginning the eighties, wider research has been conducted on peat. Research agencies in our country have achieved a number of active results in the use of peat along the following directions:

--Successful research and experiments have been conducted in the extraction of humic acid and the production of humate salt from peat to make growth stimulants for crops and domestic animals. The primary objective is to compound its ammonium chloride and metal-based salts such as sodium humate, magnesium, iron and manganese. These products have initially been produced in industry by means of simple equipment and have been widely used in many localities and for many types of crops.

--Research has been conducted in the use of peat for fuel in brick and tile production and the results attained in Vinh Phu, Ha Son Binh and Hanoi have all shown that it is possible to replace 50 to 60 percent of the coal dust with peat and still ensure more than 90 percent category A quality bricks.

--Research in the use of peat for domestic fuel has been relatively widespread in many agencies and localities.

Nevertheless, because the research results above have not yet become widely disseminated or used, their effects are still limited.

3. Exploitation and Use of Peat in Southern Provinces

In the southern provinces, there are a few lean coal mines in Quang Nam-Da Nang and the rest are nearly all peat, hundreds of millions of tons according to preliminary estimates. We have begun to organize the exploitation and use of U Minh Ha peat in Minh Hai, Mo Vet in Long An, Phuong Chuong in Binh Tri Thien, Que Phu in Quang Nam-Da Nang, O Mon in Hau Giang, and a number of other peat deposits in Song Be, Tay Ninh, Thuan Hai, etc. Since 1981, exploitation and use of peat in the southern provinces have begun to produce a number of good results.

a. In exploratory survey--the peat deposits in our country as well the southern provinces have generally not yet been comprehensively studied, surveyed or evaluated as to reserves and quality. During the recent past however, in accordance with the requirements of the provinces, the Ministry of Mines and Coal has coordinated and assisted in surveying and evaluating the feasabilities of exploitation at a number of specific points. Due to limited abilities and capital, surveys have been conducted of only a few of the basic requirements of exploitation in the smaller areas. The peat at these points is of good quality and exploitation conditions are relatively favorable, and the exploitation may be organized at an appropriate scale to serve the essential requirements of the local people.

b. Investment in exploitation, processsing and use: During the past few years, many provinces have mobilized sources of local capital for use in the exploitation of a number of peat deposits. Economic association between local areas in exploitation and use has produced enthusiastic results. Some provinces have newly constructed dozens of kilometers of vehicle roads in difficult terrain while others have excavated dozens of kilometers of canals and ditches to create routes of transportation for the exploitation work. Long An Province recently conducted simultaneous exploitation and production of sleeve-shaped coal for domestic fuel with good results, and the provinces of Hau Giang, Tay Ninh, Kien Giang, Song Be, Ben Tre, etc. have also actively prepared for exploitation during 1985 and subsequent years. With actual local conditions, it will be possible in the next 1 or 2 years to raise the exploitation output and use of peat in the southern provinces to about 100,000 tons annually.

At the present time, the use of peat in the southern provinces is in general clearly oriented toward the creation of conditions for the comprehensive use of resources with the highest effective return. Peat here has also been used to make fertilizer for improving the soil, as domestic fuel, and to mix with coal dust in brick production. However, because results in the use area are still not widespread or in depth, have not been widely disseminated and are still at the experimental level in many locations, they have not yet truly served as a lever for the exploitation effort.

During 1983, research agencies of the Ministry of Mines and Coal, and the Chemicals General Department coordinated in the experimental use of U Minh peat as a replacement for fat coal ingredients to operate train engines. However, the research must be continued in order to establish the effect on the ecologic environment, fresh water and plant growth, especially the U Minh cajuput.

With available potential capabilities, peat in the southern provinces has the conditions for exploitation and use in a planned and long-term manner. In the past however, there was unsynchronized investment in the processing step and transportation has not yet received the same level of attention as exploitation. In exploitation alone, there are still many shortcomings.

4. Unresolved Problems Requiring Continuous Resolution

a. Survey and exploration of natural conditions are still not conducted in a systematic and comprehensive manner.

b. Research on the effects of peat exploitation on the natural environment, on soil fertility and on plant growth capabilities on exploited land has not yet been set forth.

c. Of the mines presently being worked, many still have no economic dialectics or technical design, and those that do have design have no synchronized investment or equipment and lack the necessary conditions for developing the mine's capacity.

d. Exploitation and use still lack technical guidance and close inspection.

e. The price problem has still not been satisfactorily resolved by responsible agencies.

II. Future Course and Mission of Peat Exploitation, Processing and Use in Southern Provinces

Implementing the Resolution of the Fifth Party Congress and recent resolutions 6 and 7 of the Party Central Committee, it will be necessary in the future to promote the exploitation, processing and use of peat in the southern provinces in conjunction with the use of state coal aimed at basically resolving the problem of fuel for the people in domestic use as well as in the production of construction materials to build a new rural area. At the same time, efforts must also be made to use to the highest degree the valuable characteristics of peat with the purpose of supplementing sources of fertilizer to improve the soil. On the other hand, peat must be actively used as a raw material for producing biologically active substances to stimulate the growth of domestic animals and crops.

To successfully fulfill these missions, exploitation, processing and use must be closely coordinated. Special emphasis must be given investment in studying and applying advanced technology to production, processing and direct use of peat or of the ingredients and by-products acquired from peat.

1. Exploitation Investment:

First of all, the provinces must, based on the local coal resources, draft a preliminary plan covering the next 5 to 10 years.

The investment capital of local areas must be actively balanced and to make up any shortages, the Ministry of Mines and Coal will hold discussions with the State Planning Commission and other concerned sectors to suggest additional state assistance during the capital construction period.

Exploited mines still lacking economic and technical dialectics and design must establish them and petition for approval in order to conduct exploitation with proper technology, effectiveness and safety.

Of the new mines, priority must be given the exploitation of peat mines with little capital investment but rapid production and favorable transportation and consumption conditions.

Economic effectiveness must be carefully calculated, including the economic benefits to society and the effectiveness of other sectors due to the returned use of coal.

2. Survey, Design, Exploitation and Use of Peat Mines in the South:

a. In exploration and survey, it is necessary to organize a comprehensive survey and evaluation of peat reserves in the south and it is suggested that the Council of Ministers assign this task to the General Geology Department.

Within each specific area, the provinces may self-organize surveys with the assistance of exploration and survey units from the Ministry of Mines and Coal.

b. Concerning exploitation design: peat is also a form of mineral resource in which exploited reserves cannot be restored. Thus, exploitation must be conducted in accordance with design and precise technology, rational techniques must be swiftly defined in order to achieve the smallest loss in resources during exploitation, and exploitation must have a plan and be synchronized with the economic and technical conditions of our country. In conjunction with exploitation, there must be methods of protecting the environment and conducting research in the restoration or improvement of soil fertility so that it may be used in economic objectives providing the greatest benefit. Locations able to restore the mined area to farming land for agriculture, forestry or other objectives must calculate the economic and technical dialectics and must introduce to the product costs of each product unit the expenses incurred in land restoration.

c. Peat processing and use: processing peat for use is both an objective and a means for promoting the exploitation process. In this job, scientific research and the introduction of advanced technology and experience is extremely important. In conjunction with the use of peat in the chemical industry to produce by-products in support of stock raising and farming, first of all from now until 1990, the achievement and most primary course is still the use of peat in a fuel objective. Scientific and technical agencies must assist provinces in the application of industrial techniques and regulations for peat used to produce brick and tile, porous coal and sleeve-shaped coal, and for introduction to the domestic use of people in the cities and rural areas of the south.

In processing and use, concern must also be given to coordinating the activities of concerned scientific and technical agencies aimed at the rational and comprehensive use of resources under the conditions of our country. Extreme conservation must be practiced in coal use.

3. Promote Scientific and Technical Research in Exploitation, Processing and Use of Peat

Originating from the most pressing requirements at the present time, scientific and technical research in support of peat exploitation, processing and use must be concentrated on the following primary directions:

a. Research on natural conditions to support exploitation:

This is a basic step with a decisive effect on exploitation capabilities and scale. Natural conditions must be fully evaluated in order to have technical measures for rational exploitation and use while simultaneously, during the exploitation process, continuing to monitor their effects on the surrounding ecological balance and natural environment.

There must be research projects in the regulations and techniques of peat exploitation in the southern part of our country including the use of suitable equipment, exploitation methods, transportation and soil and environmental restoration. Exploitation techniques must be closely connected with processing and use objectives.

b. Research in processing and use:

Used in whatever objective, peat must still pass through a processing step and consequently, research projects must be concentrated on the mission of using peat in a manner most consistent with the economic and technical conditions of our country.

--First of all, it is necessary to disseminate and provide guidance to the southern provinces on the application of research results achieved in the use of peat to bake brick and tile and for domestic fuel. Results attained must be continually perfected aimed at consistency and convenience for the use habits of each locality. It is necessary to perfect projects in the use of highly volatile peat to operate train engines, the use of peat in industrial furnaces, and the use of peat gas as a fuel with the purpose of raising peat use efficiency and recovering organic products.

--Research and introduction to industrial production of peat by-products to support agriculture must be promoted. Following this course, it is necessary to continually use the peat layers of high organic content to make fertilizer for soil improvement while also promoting the production of by-products to make substances for stimulating the biological activities of domestic animals and crops.

4. Strengthen State and Sector Management of Coal Exploitation and Use in the South:

To strongly develop the exploitation and use of peat in the provinces of the south, it is necessary to further strengthen state and sector management of these tasks.

In the provinces exploiting peat, the Industrial Service (or service of similar function) must be assigned to assist the province in managing exploitation and processing facilities and to provide guidance in use. At the same time, conditions must be created for that agency to have sufficient conditions to assist the province in managing mine technology and production.

Executing this state and sector management function, the Ministry of Mines and Coal will coordinate with concerned sectors in guiding and assisting the provinces to formulate exploitation plans, and will join the provinces in providing material and technical preconditions for expanding exploitation and use. To assist localities in rapidly developing production forces in the years to come, besides assisting in the purchase of essential specialized equipment, our Ministry will assist the provinces in training cadres and technicians; and in temporarily assigning a number of cadres and skilled workers to assist and help localities in the exploitation and processing steps. At the same time, it will firmly coordinate with provinces in reviewing the economic and technical dialectics, and the exploitation, processing and use of local coal.

The State Scientific and Technical Commission will coordinate with and assist scientific and technical agencies in our country in basic research, in study on the application of projects on peat processing and use, in disseminating the results, in organizing scientific seminars, and in guiding and stimulating application by local areas.

To encourage exploitation and use of local coal, the Chairman of the Council of Ministers in 1982 issued Directive 55-CT. In complying with this directive, many ministries and central level agencies closely coordinated with the provinces in the exploitation and use of local coal. During the past 3 years, this directive has entered production practice and has developed an active effect.

The state has promulgated a number of compensation systems just for workers in the coal sector. Provinces must study and gradually apply these systems while simultaneously during the process of achievement, actively proposing and suggesting that the state promulgate and supplement new systems in order to constantly act as a strong lever for production.

Peat prices in the southern provinces must also be urgently studied.

In conjunction with assisting, guiding and stimulating exploitation, it is necessary to strengthen the inspection and control of design achievement and compliance with technical rules and regulations in order to ensure planned, synchronized and comprehensive exploitation of resources, reduced losses during exploitation and processing, and guaranteed safety for production and labor.

5. Economic Association Between Sectors and Localities

To fulfill the mission of exploiting, processing and using peat in the southern provinces, we suggest that:

Production facilities coordinate closely with research agencies on technical regulations and coal processing during the initial period until production and processing become stable.

Directive 55-CT of the Chairman of the Council of Ministers also permits the provinces without mines to exploit peat in neighboring provinces.

Association between Ho Chi Minh City and the provinces of Long An and Kien Giang in the exploitation and use of peat is an important factor producing effective results for the exploitation task.

In the coming period, we suggest that joint enterprise and association between exploitation, processing and distribution and use facilities be strengthened.

6. Primary Objectives That Must Be Achieved:

a. In output: the southern provinces must strive to achieve from 400,000 to 450,000 tons of commodity coal by 1990.

b. In economic and technical management:

The economic management of peat exploitation and processing facilities must precisely follow the spirit of Resolutions 6 and 7 of the Party Central Committee, strengthening the creative initiative of the production facility in socialist business management; and stimulating the composite strength of the state and the people to encourage basic level units and sectors in best exploiting the potential capabilities of local peat.

c. Build the ranks of cadres and technical workers:

Gradually train and build the ranks of cadres and technical workers in order to shoulder the tasks of exploitation, processing and use guidance.

To achieve these tasks, right from the very time that research results are applied in production practice, it is necessary to summarize, select and edit technical regulations such as those used in exploitation, processing and use.

We must select local youths and the children of peat mine workers for advanced training in ministry schools in order to create ranks of skilled cadres and workers closely connected with the labor in their native areas.

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CSO: 4209/247

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

COAL SECTOR OVERFULFILLS PLAN--Despite serious imbalances in terms of material and technical bases and workers' living conditions in early 1985, the coal sector has strived to surge forward to eliminate bureaucratism and subsidization and has thus overfulfilled some of the important norms in the state plan. In 1985, the sector produced 6.2 million metric tons of raw coal or 109 percent of the plan, an increase of 6.1 percent over 1984. As for clean coal, the sector produced 5.8 million tons, 101.6 percent of the plan norm, an increase of 9.7 percent over 1984. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 1 Feb 86 BK]/12766

CSO: 4209/276

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

HA TUYEN WIRED RADIO--Since 1980, Ha Tuyen Province has set up 120 wired radio broadcasting points with a total of 738 large loudspeakers and 476 medium- and small-size loudspeakers scattered along 33 border villages to ensure that the party's voice reaches people in all villages throughout the province. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 26 Jan 86 BK]/12766

CSO: 4209/275

LABOR

BRIEFS

SOUTHERN PROVINCES EMPLOYMENT IMPROVEMENT--Hanoi VNA 28 Jan -- in 1985, Thuan Hai Province on the central coast provided jobs for more than 30,000 people, the highest number so far which doubles that in 1984. This has resulted from the combination of the labor distribution program with the socialist transformation of private industry and trade in the locality. The new employees are working at small industrial and handicraft establishments and in the aquatic products processing service. Thanks to its district building program and socialist transformation of agriculture, industry, and trade, Ben Tre Province in the Mekong River Delta last year created jobs to more than 58,000 unemployed, of them 56,000 people are working in their districts and the rest at coconut farms along the coast. [Text] [Hanoi VNA in English 0718 GMT 28 Jan 86 OW]

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CSO: 4200/608

POPULATION, CUSTOMS, AND CULTURE

VO VAN KIET SPEAKS AT LABOR REDISTRIBUTION MEETING

BK310726 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Jan 86

[Text] The chairman of the Council of Ministers recently convened a conference in Ban Me Thuot City to discuss labor and population redistribution in the central highlands. Comrade Vo Van Kiet, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, presided over the conference.

The conference heard a general report presented by the State Planning Commission on the plan for labor and population redistribution in the central highlands for 1986 and for the 1986-1990 period and a report by the Ministry of Labor on its projected policies. All the representatives of provinces, cities, and districts speaking at the conference expressed a high identity of views on the policy of stepping up the labor and population redistribution campaign, pointed out many successful experiences enjoyed by various model units in the past, and suggested measures to be implemented in the period ahead.

Addressing the conference, Comrade Vo Van Kiet stressed the extremely important significance of the labor and population redistribution program for the 1986-1990 period. This program is one of the primary objectives of the said 5-year period and definitely a general redistribution of the social work force aimed at developing strongly our most valuable asset--labor--in conjunction with land and trades in each establishment, organ, and locality, and throughout the country. It is a national strategic task of profound significance bearing on economic, political, social, security, and national defense work.

Comrade Vo Van Kiet emphasized: This is a very pressing and important task, but also a very difficult and complex one. The localities sending out people as well as those receiving them must recheck their targets and map out plans in a timely and careful manner. Those localities receiving people must plan production establishments and determine specific guidelines for production. In particular, they must fully prepare all conditions necessary for people's life such as grain, foodstuffs, drinking water, schools for children, medical care, public transportation, and so forth, so as to enable the new settlers to organize their daily life and carry out production work. The laborers sent to other localities must include party and mass organization cadres, technicians, managers, teachers, doctors, and skilled workers.

Comrade Vo Van Kiet reminded the representatives of various sectors that, after the conference, they must urgently prepare plans related to their functions, especially plans aimed at resolving such pressing problems as food, capital for investment, building materials, means of transportation, and so forth, and at encouraging the redistribution of labor and population. All localities must urgently formulate specific plans for sending out and receiving people, satisfactorily promoting and organizing the sending of laborers and people to build new homes, thereby contributing to [words indistinct].

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POPULATION, CUSTOMS, AND CULTURE

BRIEFS

WORK FORCE REDISTRIBUTION--Hanoi VNA Feb 1--The Council of Ministers has called a conference in Buon Me Thuot, provincial town of Darlac Province to discuss the redistribution of the work force and population in the central highlands. This sparsely-populated and under-developed mountain area, about 400 km north of Ho Chi Minh City, has since 1975 been a place of resettlement for a large number of people coming from densely-populated provinces in the northern plain and from the central coast. The conference was attended by leading officials of various branches including the ministers of agriculture, forestry and labor as well as the chairmen of the concerned provinces. Speaking at the conference, Vo Van Kiet, Political Bureau member of the Party Central Committee and vice-chairman of the Council of Ministers, said that the program for redistribution of the work force and population in the 1986-1990 period is a crucial project aimed at making better use of the land and occupations in the whole country. It has a major significance not only in the economic, social and political but also defence and security fields. He said an essential job in this program is to carry out a wide and continual campaign for the settlement of hitherto nomadic people of ethnic minorities in conjunction with a systematic resettlement of part of the population from overpopulated areas to build new economic zones. [Text] [Hanoi VNA in English 0714 GMT 1 Feb 86 OW]/12766

CSO: 4200/637

SCIENCE AND TECHNOLOGY

BRIEFS

SETTING UP SCIENTIFIC CENTER--The Council of Ministers recently issued a decree on setting up the Center for Application of Scientific and Technological Progress [Trung Taam Uwngs Dungj Tieens Booj Khoa Hocj vaf Kyx Thuaatj]. This center is directly subordinate to the State Science and Technology Commission. [From the review of NHAN DAN for 28 January] [Text] [Hanoi Domestic Service in Vietnamese 0030 GMT 28 Jan 86] /12640

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